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G2 with European weather

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Society

Victims of violence: breaking the rules of mourning

G2 page 10/11

Clinton surges to victory



President Clinton celebrates as the votes pile-up to secure him a second term

Dole saved from humiliation by strong support in South

RESIDENT BILL Clinton was last night heading back to the White House and into history as the first Democrat to win re-election in the post-war era.

But although early exit polls gave Mr Clinton a comfortable majority in the electoral college, he was falling just short of his desired moral mandate of half or more of the popular vote with 49 per cent to Republican Bob Dole's 42 per cent.



Bob Dole... appeared likely to carry 12 states

rich, for the Democratic campaign which labelled them "extremist". But with their failure to regain Congress on Mr Clinton's coattails and against someone as controversial as Newt Gingrich, the question is will the Democrats ever have such favourable circumstances again.

New head expels 12

Crackdown by new Ridings team sees 23 more pupils suspended

TWELVE disruptive pupils were expelled last night from the troubled Ridings school in Halifax and a further 23 suspended under an immediate crackdown on discipline by the new head and management team.

governors and Calderdale's Labour-controlled education authority to restore discipline and effective teaching for the 600 pupils. Failure would see either final closure or the sending of a Department for Education "hit squad" to take over the school's administration.

Bhutto under 'house arrest' as she faces corruption trial

Sworn in yesterday under Meraaj Khalid as acting prime minister. He promised elections by February 3.

Ms Bhutto's dismissal was greeted with enthusiasm by the chambers of commerce and supporters of the main opposition Muslim League. "The people of Pakistan are fed up with the policies of this government. There was economic collapse and the country was on the verge of bankruptcy," the Muslim League leader, Nawaz Sharif, said.

The ousted law minister, Raza Rabbani, filed a court petition challenging the effective custody of Ms Bhutto, and said he would also challenge the government's dismissal in the supreme court.

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Inside: The Government is cracking down on television violence to help children as the US Congress respects the law among young people.

Britain: The Government is cracking down on television violence to help children as the US Congress respects the law among young people.

World News: The Government is cracking down on television violence to help children as the US Congress respects the law among young people.

Finance: The Government is cracking down on television violence to help children as the US Congress respects the law among young people.

Sport: The Government is cracking down on television violence to help children as the US Congress respects the law among young people.

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Sketch

The wacky world of Silly Statistics



Simon Hoggart

WE WERE told this week that John Major and Tony Blair feel a deep animus towards each other. The Prime Minister often says how highly he regarded the late John Smith, though I can't remember John Smith saying the same about him. Smith was put in mind of the old doggerel about the man who wasn't there. "He wasn't there again today, oh how I wish he'd go away." The dislike was especially intense at Prime Minister's Question Time yesterday, possibly because both sides were exchanging meaningless statistics. But first, the lovely Dawn Primarolo (Lab, Bristol South), heroine of the great Four Seasons hit Dawn, Go Away in No Good For You, insisted that the average family living in council accommodation were 3 per cent worse off than since, well, since they were 3 per cent better off than they are now. The Prime Minister replied with a list of Labour councils where council tax rates were especially high for Band D. The reason for this, of course, is that Labour councils used to be found in largely working-class areas (they are everywhere now) and, since they need to raise the same amount as Conservative councils, they have to hit the middle classes harder. It's all perfectly straightforward, but in the wacky world of Silly Statistics, it looks like a dreadful condemnation of Labour misrule. Mr Blair asked about the crisis in the National Health Service. Mr Major said spending was going up in real terms. Mr Blair watched him with pursed lips (or possibly he was

swirling round some saliva for a really good gobbling, though he did, I missed it). The Labour leader replied that the extra money was going into administration, with 20,000 more senior managers and 50,000 fewer nurses employed. Mr Major asked if he thought a service that spent £730 per man, woman and child in the country shouldn't be properly managed. "The NHS is something this country should be proud of, not something to be used as a political football" (I love that cliché. I await the first MP to say that Paul Gascoigne's private life should not be used as a political football.) Mr Blair said that the British people were proud of the NHS, but not what the Government had done to it. And so on. Both sides are wrong, as always. Those of us whose family income depends in part on the NHS know that it is falling to pieces, especially for people suffering from non-lethal complaints, and is held together by the hard work and goodwill of the people who work there. But Mr Blair can't say that. On the other hand, people now, quite reasonably, expect to be cured of conditions that would have killed them a decade ago. This costs a lot of money, but Tony Blair can't say that. Then Mr Major spoke about railway privatisation. "The reality is that there is now new rolling stock, the service is being improved." Unlike the Prime Minister I frequently travel on a privatised railway, and I'd say the service is ever so slightly worse. But, as so often at Prime Minister's Question Time, the statistics are entirely at odds with reality. The final figures came at the end, when the Tories' Ian Bruce complained that Mr Blair had used fully 342 words to put his questions last Tuesday, and another 390 words on Thursday. Would the Speaker cut him off? I found some statistics of my own. Each Prime Minister's Question Time consumes around 1,600 precious words. Almost every one is wasted.

Review

One more time, without gusto

Martin Kettle

NE BY ONE, the bankable productions of the basic operas which will always fill the seats at Covent Garden are being dusted off and presented for probably their last showings before the Royal Opera House closes for at least two years next summer. First John Copley's La Bohème came and (presumably) went after 25 years of loyal service. Then Richard Jones's Ring cycle closed on Saturday after what is almost certainly the last appearance of its short and troubled existence. And now it is the turn of Johannes Schaal's dark and gloomy production of Don Giovanni to take what must surely be its final curtain, with a dozen performances over the coming month. On paper, the cast for the first half of the run looks like a roll-call of those who have revived British Mozart singing over the last two decades — the exceptions being an interesting debut by the Icelandic bass, Tomas Tannason as Masetto, matched by the excellent Alison Hagley as Zerlina. With names like Yvonne Kenny, Felicity Lott, Anthony Rolfe Johnson and, above all, Thomas Allen, this series of performances is a homage to a generation who have built

careers in London and then gone out to conquer the opera houses of the world. And yet this is ultimately a disappointing Don Giovanni, partly because Schaal's production never had much to say about it. But what it did have has now mostly gone, in a slack and often confused revival by Patrick Young in which the sombre and massive sets provide more embarrassment than enlightenment. For so a major piece to become so inert is a serious failing. Partly, too, it is the fault of the Austrian conductor, Dietrich Benzel, who gives a Germanic interpretation of the old style, too slow and grand for today's audiences. Too many phrases sagged rather than soared at these speeds, and ensemble was too often sacrificed. But the general atmosphere of anti-climax also owes a surprising amount to the casting. The performers are all fine singers, great artists and admirable figures. But this is unmistakably a bit of a nostalgic trip. It's a thank you for the achievements of the past rather than a fresh performance for today. Having said that, many will thrill once again to Allen's Giovanni, delight in Kenny's heartfelt Donna Anna, admire Lott's assured Elvira and be struck awestruck by Rolfe Johnson's Don Ottavio. This review appeared in later editions yesterday.

President's medical team expresses relief and optimism after seven-hour heart bypass operation

Yeltsin faces critical week

DOCTORS last night began a critical week-long vigil which will reveal whether Boris Yeltsin can recover fully from a seven-hour heart bypass operation and resume presidential duties at the Kremlin. Looking drained, but relieved, Renat Akhurin, the surgeon who led the medical team, said yesterday's operation was a success. After grafting a number of veins on to the arteries around the heart, he said all indications

were that the heart was getting enough blood to function normally. "Now the very important stage of post-operative treatment is starting. We usually speak about a forecast on the fifth or sixth day after the operation," Prof Akhurin said. "I was trying to forget that it was the president of Russia and think this is an ordinary patient." Mr Yeltsin, aged 65, regained consciousness at 16.45 Moscow time, clearing one of the hurdles on his path to recovery. His doctors, helped by specialists from Germany, will have a clearer picture when the artificial

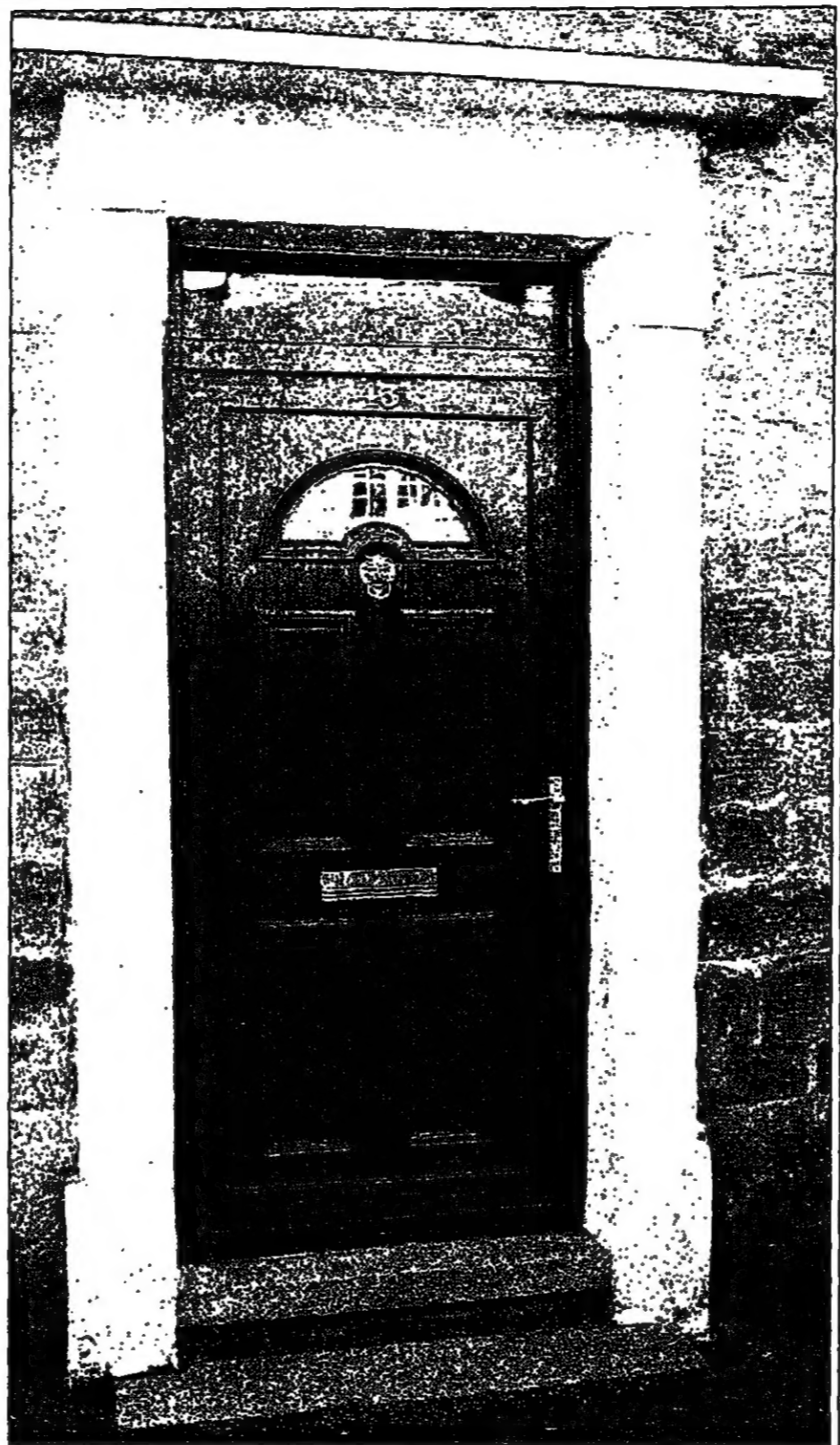
ventilation is turned off this morning. Tony Rickard, a cardiologist at London's Royal Brompton Hospital, said: "There are a number of key milestones President Yeltsin has got to pass. He has passed one of them — and that is that his own heart has taken over from the artificial heart that was used during the operation." The mood last night among international consultants who had been invited to advise the Russian team was optimistic. Michael DeBakey, the pioneering American heart surgeon, said the operation was a complete success.

"President Yeltsin will be able to return to his office and carry out his duties in normal fashion," he said. Mr DeBakey and a team of three American specialists had spent four hours observing the operation on monitors in a room near the operating theatre at the Cardiology Research Centre in Moscow. Yevgeny Chazov, who kept three Soviet leaders alive in the 1970s and 1980s, said: "The operation went better than I expected." He said Mr Yeltsin's heart had been stopped for 68 minutes while surgeons grafted veins around the heart. However, some medical ex-

perts said the greater than expected number of bypasses performed on Mr Yeltsin showed his heart was more badly diseased than previously thought. "If you say you're going to do three or four bypasses and you do more, you've found more problems than you expected," said John Wright, head of cardiac services at the London Chest Hospital. It all started in tight secrecy early yesterday when Russia woke up to the news that Mr Yeltsin had formally handed over all his powers, including control of the nuclear button, to the prime minister, Viktor Chernomyr-

din, and was looking forward to the operation with humour and confidence. Mr Yeltsin said in an address read out by his press secretary, Sergei Yastrzhembsky: "Not for a minute will the country be without a leader with full powers." All attention will focus on how long Mr Yeltsin leaves power in Mr Chernomyrdin's hands. The powers he transferred to his prime minister will be resumed by the signing of another decree. But only Mr Yeltsin will decide when.

Chernomyrdin takes power, page 6; Press Notes, G2, page 3



Patricia Harman (top) was an unwitting victim over whether her old front door, similar to her neighbour's (centre) could be replaced by the plastic door (main picture). The case was brought by Anthony Streeten (bottom). MAIN PHOTOGRAPH: DOUG MARKE

Judge rules that looks are the key to plastic door in town designated conservation area

IT MAY never have that classy, weather-battered look of ancient oak, or resound with a satisfying dull thud to a visitor's knock, but the might of the High Court in London yesterday defended the right of a Derbyshire housewife to have a plastic front door in a conservation area. It cost the losers, English Heritage, £10,000 and the Secretary of State for the Environment an amount the lawyers called "substantially less" to thrash out over a day in court the merits of the door of number 43, St John's Street in Wirksworth, near Matlock. But English Heritage defended its decision to bring the case, which it claimed was a test of the planning regulations. The portal in question is made of UPVC and has a fetching dark brown wood-grained surface. It was installed by Patricia Harman, who lives behind it, two years ago. Unfortunately, said the town planners, backed by English Heritage, it just would not do. Her house is one of 400 — virtually the whole town of Wirksworth — designated a special conservation area. The original doors of the three-storey terraced Georgian townhouses in the street were made of six planks or panels of wood. Mrs Harman's door has four plastic panels — not to mention a fanlight. Wirksworth has been lovingly nurtured by conservationists for more than 20 years, but of late they have been distressed by the amount of what they consider ngly modern alter-

ations. The local authorities, with the approval of the Secretary of State, made an Article 4 direction in 1982, which means that changes to doors, windows and assorted other bits must get planning permission. Mrs Harman did not apply, but somebody told the council she had a new door. She was forced to apply retrospectively, and the town council turned her down. She appealed, and won her case in front of a planning inspector. Yesterday's action by English Heritage was a judicial review of the inspector's decision to leave the door. After a wander down Mrs Harman's road, the inspector, a Mr Whitehouse, stated: "It is not obvious in my view that it is made of UPVC without looking closely at the finish." Giving judgment in the High Court, Deputy Judge Moriarty, said the inspector was right to base his decision on the aesthetics of the door in its present context, and not on any precedent that might be set by allowing a slab of UPVC at number 43. Anthony Streeten, head of English Heritage's East Midlands Conservation, said: "We felt we had a duty to seek judicial review in order to uphold a principle of wider public interest. "We are disappointed that the inspector's decision has been upheld and are sorry for the distress caused to Mrs Harman as the unwitting victim in the legal case." The body's intention was to "reinforce the importance of traditional details" and protect public money and community efforts.

Oxford dons reject £20m 'blood money' donation

OXFORD University's ambitious fundraising plans were thrown into confusion last night when 1,000 excited dons decided that a patch of grass on a city-centre sports field mattered more to their academic honour than a £20 million donation for a new international business school. They threw out proposals from the university authorities to build a world-class

business school on land acquired 30 years ago on condition that it would remain undeveloped in perpetuity. By doing so they were in effect rejecting a £20 million benefaction from Wafic Said, the Middle Eastern financier whose advice helped Britain clinch the multi-million-pound al-Yamamah arms deal with Saudi Arabia. Mr Said offered the money on condition that it would be used to establish a prestigious management studies department on the two-acre site on Mansfield Road in the centre

of Oxford, requiring the demolition of the sports pavilion and loss of about half the university playing area. After two hours of heated debate, the congregation (parliament of dons) rejected the deal by 259 votes to 214. A spokeswoman said the university authorities remained fully committed to the project and the Hebdomadal Council (an inner cabinet of senior academics) will decide next week whether to put it to a postal ballot of 3,200 dons and senior administrators. It seemed almost certain

last night that the authorities would use this procedure in an attempt to avoid a signal to other benefactors that Oxford is not interested in their money. During the debate it was revealed that another backer was pledging a further huge donation if the sports ground site was chosen. "The dons, in ceremonial gowns, ran a gauntlet of protesters on their way into the Sheldonian theatre. Banners included slogans warning Mr Said: "We don't want your bloody money" and "Sports fields not killing fields".

Alexander Murray, a University College ancient history don who led the No campaign, said he was trying to defend the values inherited from the past. "This plan was developed in the strictest secrecy. Those behind the scheme crept into the city in the dead of night so that when dawn broke the hammer was already hoisted over our green land. We are losing a playing field in return for a big city building. Mr Said said he would reconsider his offer in the light of yesterday's vote. "It

calls into question the commitment to developing a world-class business school. In the light of this, I shall obviously need to consider my benefaction. I shall consult with the vice-chancellors and my fellow trustees and reflect carefully before reaching a decision," he said. Cambridge University has been warned that it may lose funding from cancer research organisations after its decision to take £1.6 million from British American Tobacco to fund a chair in international relations.

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1994
● January 20 Inauguration. After a series of accidents and strokes of luck, Clinton is voted president.
● February 1 Presents economic plan to Congress. Sets stage for budget deficit reduction and lower interest rates.
● September 13 Arafat and Rabin shake hands on White House Lawn, Clinton seen as peacemaker.
● November 17 Congress passes North American Free Trade Agreement with Canada and Mexico.
● July 8 G7 economic summit. Clinton presses Yeltsin to withdraw last Russian troops from Baltic States.
● August 30 Nato launches air campaign against Serbs. Clinton finally takes the lead on Bosnia.
● November 14 First US government shutdown in budget battle. Clinton outmanoeuvres Republicans.
● November 30 Clinton receives hero's welcome in Belfast.
● March 14 Clinton orders two carrier groups to Taiwan during Chinese military exercises.
● October 6 Clinton is in complete command as the first televised presidential debate.

Comeback Kid rides again

A flawed but charismatic president has built on his luck

Martin Walker in Washington

BILL CLINTON'S re-election endows him with historic stature, the first Democratic president to win a second term since Franklin D Roosevelt 60 years ago. His recovery, deemed almost impossible for most of the first three years of his often chaotic presidency, has been the ultimate revenge of the Comeback Kid on those who always write him off too soon.

Clinton came to the White House by a series of accidents and strokes of luck, and at least four years before he was seriously ready. He decided to run in 1992, knowing the traditional rule that the voters liked to take a first look at a candidate before entrusting him with the highest office.

It was Hillary Rodham Clinton, one of the most formidable, ambitious and politically astute of political wives, who urged him most strongly to run in 1991. President George Bush might be basking in Gulf war approval ratings of almost 90 per cent, but the economy was in recession — it had to be a year for Democrats to do better than expected. To make a strong showing would position Clinton perfectly for 2000.

Then everything fell into place for him when the favoured candidates — Governor Mario Cuomo of New York, Senator Al Gore, and Congressman Dick Gephardt — all decided to duck the 1992 race. Clinton became the unexpected front runner in a singularly undistinguished field. Had there been a half-way decent Democratic alternative in February 1992, when the Clinton campaign crumbled under the twin embarrassments of Genetifer Flowers and his record of

avoiding the Vietnam draft, his ambition would have stopped in the New Hampshire primary. Clinton won the Democratic nomination almost by default.

Then came the second stroke of luck, the intervention of the Texas billionaire Ross Perot, with his pathological loathing of Bush and his bottomless moneybags, spending lavishly to attack the president's unimpressive economic stewardship.

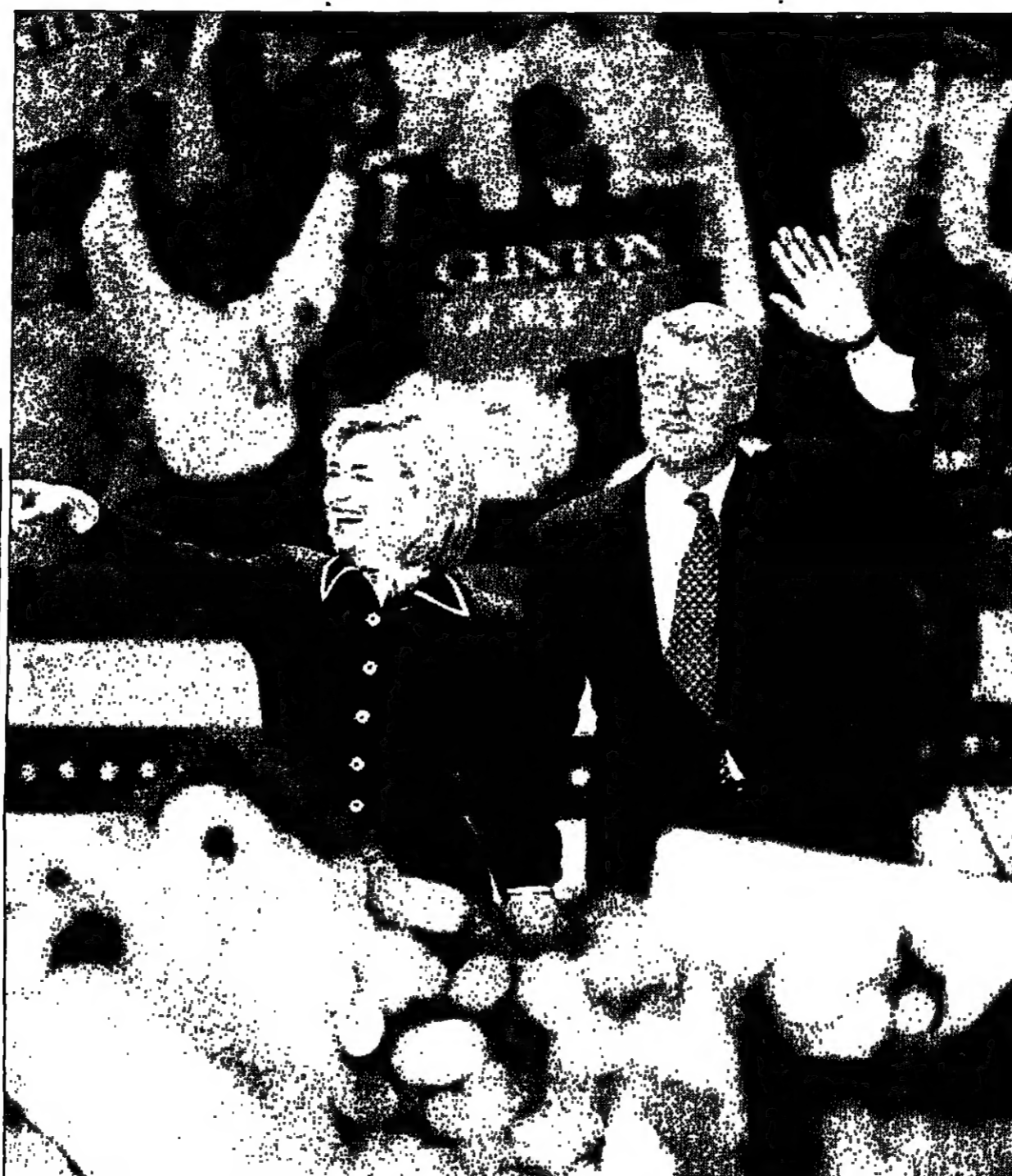
Bush himself provided the final, unexpected boost to Clinton's quixotic campaign. Tired and sometimes disoriented by his Halcyon sleeping pills, jetlagged to the point of public nausea in Japan, and simply not prepared to believe that the voters could ditch him for a draft-dodging womaniser, Bush's campaign was displaced to the point of feebleness.

Clinton, by contrast, was elected on a wave of enthusiasm by Democrats thrilled at the prospect of regaining power, and quite prepared to swallow their doubts about the determined centrism of his politics.

Catapulted into the most powerful job in the world with a mandate of just 43 per cent of the vote, Clinton was an innocent in Washington with a thin talent pool among Democrats who had been excluded from government experience for 20 of the previous 24 years.

Moreover, he inherited from Bush an economy that was only just emerging from a tough recession. But this gave Clinton the opportunity to stamp his presidency with the most portentous decision of all.

Two weeks before his inauguration, he reluctantly agreed to drop the bulk of the Keynesian proposals to stimulate the economy on which he had been elected. He had been persuaded by the chairman of the Federal Reserve, Alan



First couple... Bill Clinton and his wife, Hillary, who urged him to run for president in 1992 before he was really ready

Greenspan, to follow the path of economic orthodoxy.

Greenspan assured him at their first long and crucial meeting that a stern application of fiscal discipline to cut the budget deficit would be rewarded by the Wall Street bond markets with lower interest rates.

That in itself would be all the stimulus that would be needed, producing a virtuous circle in which lower interest rates would stimulate more investment and more consumer spending.

Lucky in the timing of the economic cycle, Clinton built on his luck with that decision, benefiting from the steady and sustained economic growth that produced 10.8 million new jobs during his presidency — and paved the way for his re-election.

The budget deficit of \$290 billion of his first year fell to \$107 billion in 1996. Combined with lower inflation and low interest rates, Clinton's stewardship produced a US economy that would meet the stringent Maastricht targets

for countries to join the European monetary system.

That is one measure of his domestic achievement. Another is the distance the US has come from the economic doldrums of 1981, when Clinton's Democratic rival Paul Tsongas had coined the slogan "The cold war is over — and Japan won". Between 1991 and 1996, the depressed Japanese economy barely grew at all. The US economy had grown by nearly 20 per cent. The G7 economic summit, which in the 1990s had

seen America's partners complain of its profligate ways, were transformed as the US became the world's leading exporter in each year of the Clinton presidency.

In historical terms, the most important feature of Clinton's first term has been to exploit the internationalisation of the economy with a strategic pursuit of global free trade. In the wake of the cold war, the US foreign policy consensus that it should lead a global military coalition was eroding fast. Clinton, in

effect, replaced this with a new consensus, that it should lead a global commercial coalition of free-trading democracies.

In defiance of his own Democratic leadership in Congress, he worked with the Republicans to pass the North American Free Trade Agreement and the GATT world trade pact. He launched the first Pacific Rim economic summit, securing a regional free trade pledge to be phased in over 15 years, and then convened a Summit of the Americas to extend a similar process towards western hemisphere free trade. This became the Clinton Doctrine, probably the most strategic legacy of his presidency.

There were other measures by which Clinton claimed re-election, although they had little to do with him. The demographic changes that saw a decline in the number of teenagers helped account for a 30 per cent drop in violent crime in the cities.

This went almost unrecognised by an American media that was intent on barking up the trail of Whitewater, and whose image of Clinton had been formed partly by the scandals of his candidacy, and partly by the grievous missteps of his first, stumbling year in office.

Some of these — foolish nominations to cabinet posts, a \$200 haircut on the Los Angeles runway, and a starstruck delight in consorting with Hollywood — were his own fault. Rather more were the Bush inheritance of foreign policy predicaments around the globe, from Somalia to Bosnia to Haiti.

The key change came with the retirements of Clinton's accident-prone first defence secretary, Les Aspin, and the most over-estimated man in American public life, General Colin Powell. He had taken to the brink of insubordination his opposition to Clinton's campaign pledge to end discrimination against gays in the military, imposing a gratuitous political defeat on his new president.

Once Aspin and Powell had been replaced, the cold war between Pentagon and White House eased. Troops were deployed to restore a kind of democracy to Haiti and to help impose a kind of peace in Bosnia.

As he learned his business Clinton scored some serious achievements, from securing the withdrawal of Russian troops from the Baltic states and persuading Ukraine and Kazakhstan to give up their nuclear arsenals to achieving a nuclear test ban treaty.

He brought naivety to the politics of Washington, assuming that the Democrats in Congress would be loyal and the Republicans open to persuasion that his main promises of health and welfare reform were "neither liberal nor conservative, neither Democratic nor Republican".

But a scandal-wracked president with a 43 per cent mandate saw his flagship reforms humiliatingly defeated. In the mid-term election 1994, the Republicans won control of both Houses of Congress for the first time in 40 years, a Democratic defeat for which Clinton took most of the blame.

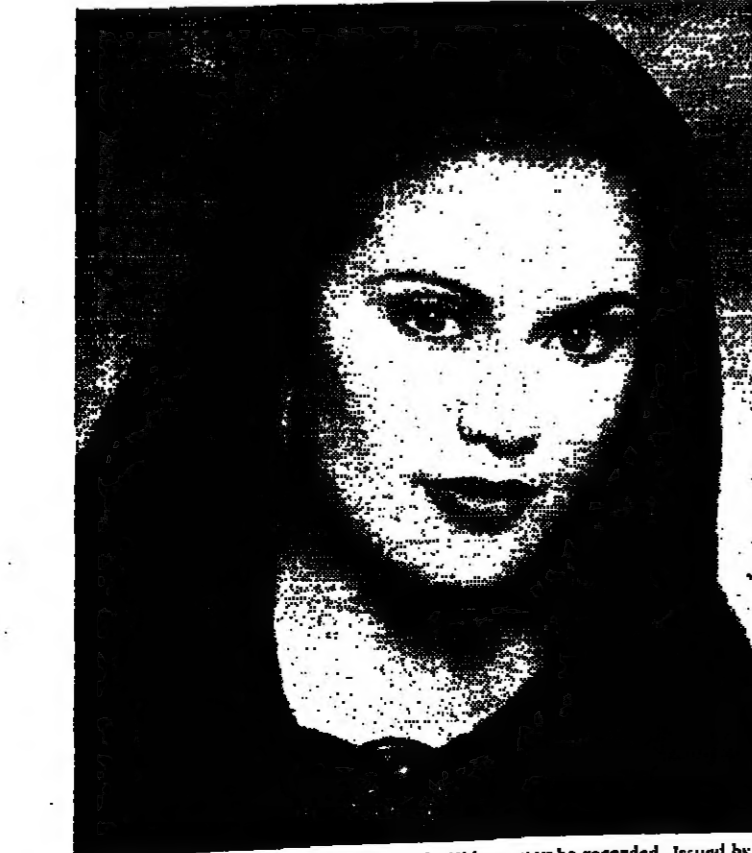
Ironically, the Republicans were to be the saviour of Clinton. They over-reached, lured by their own rhetoric. They twice refused to vote essential funds and closed down the business of the federal government. The Republicans tried to blackmail the president into signing their draconian budget. Instead, they liberated him. Clinton stood forth as the only man who could stop them savaging the budget for education and the environment.

The Democrats had nowhere else to turn but to their president, even when he began distancing himself from them to show that he could work and pass legislation with the chastened Republican Congress. The minimum wage was raised, those with health insurance were guaranteed that they could keep it, despite losing or changing their jobs. And finally Clinton signed into law the Republican welfare bill, which took away the heart of the New Deal: that the federal government would in the last resort take care of impoverished mothers and children. He had promised "to end welfare as we know it", but not so brutally.

In the end, Clinton could claim to have governed as he had promised on the 1992 campaign trail. He had been a centrist and a moderniser. He had pushed his country into an enthusiastic embrace of the global economy.

The first four years had been economically orthodox and internationally responsible, like the administration of a liberal Republican president. The rich and the upper middle class had done well from the Clinton boom. But they had not voted for him.

In the second term, the challenge would be to deliver the education and job training, and restore the promise of opportunity for all, that would finally justify the hopes of the people who had voted this flawed but still charismatic first president of the babyboom generation into power.



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4 BRITAIN

Bombed city's grand design

David Ward on the winning scheme for the new-look centre of Manchester

THE bombed-out centre of Manchester will be rebuilt according to a master plan which attempts to honour God and mammon while improving life for traffic-weary pedestrians.

EDAW, a London-based urban design group, was named yesterday as the winner of an international competition launched after the city was devastated by a 3,300lb IRA device on June 15.

The group and its partners want to reshape and reclaim the hated Arndale Centre, open up a walking route from the 18th century parish church of St Ann to the 15th century cathedral, passing a huge new Marks & Spencer store. They also plan to turn two medieval pubs through 180 degrees and move them ten yards west.

After announcing the unanimous verdict of the competition jury, Richard Leese, who became leader of Manchester city council weeks before the bomb went off, said the EDAW scheme would provide "a powerful and distinct image for the new city centre".

The judges want to include in the final scheme proposals suggested by the Building Design Partnership, the competition's runner-up, for improving the banks of the River Irwell near the cathedral.

Lee Shostak, EDAW's managing director, said: "I am very conscious that we are here today because of a horrible act of terrorism."

After receiving his winner's gold medal, he added: "This is the easy bit. The hard bit is still to come. Let's get on with it."

Sir Alan Cockshaw, chairman of the task force set up after the bombing, said the reconstructed city would demonstrate the futility of terrorism: "We want to create the very best city centre in the whole of Europe, fit for the 21st century and one which the people of Manchester can be very proud of."

Work should begin early next year, with a large part of the city centre, which lost more than 300,000 square feet of shops and offices in the blast, back in action by the autumn of 1998.

The entire project is expected to cost about £500 million, with all but an estimated £75 million coming from private sources, mainly insurance payouts. "We'll get money from anywhere to get this done," said Sir Alan.

Alistair Burt, minister for Manchester, standing in for the Deputy Prime Minister, Michael Heseltine, said he could not promise a blank cheque. "But I don't think it's conceivable that the Government will not play its part in the rebuilding of Manchester."

The Government has already shown considerable commitment.

Ministers would examine "pots of funding" already available for urban regeneration projects. "To create beauty from horror is a significant human achievement and we wish it very well indeed."

The EDAW scheme creates a quarter-mile south-north pedestrian boulevard linking the shops of St Ann's Square and the Royal Exchange with Marks & Spencer, a new civic square near the Corn Exchange (a possible home for a branch of Harvey Nichols) and a landscaped close surrounding the cathedral.

Shambles Square, a windy concrete horror, will disappear but its two pubs, Sinclair's and the Wellington, raised several feet when the square was created in the sixties, will be retained and relocated.

If the M&S planners agree, the two halves of their new 300,000 sq ft store would be linked by a glazed street leading from the Arndale Centre.

The centre itself, built in the mid-seventies and badly damaged in the June 15 blast, will be modified to allow natural light to pour in and its tower, reclad and glazed, will be retained for flats. Cannon Street, a dreary bus-filled canyon between two wings of the Arndale, will be converted to a glazed winter garden with many new shops.

A cultural centre, including a possible theatre, library and art gallery, is planned for a car park in front of Chetnam's School of Music.

Behind the facade of Maxwell House, one of the last remaining memorials to the late yeoman Robert Maxwell, the group plans a leisure centre based on the new virtual reality experience at the Trocadero in London.

"I am tremendously excited about winning," said David Leonard of Bony, a firm of architects working with EDAW.

"This is without doubt one of the prestige projects in the country. It is a set of big ideas."

Rod Hackney, architect and adviser to the Prince of Wales, welcomed the new pedestrian routes but regretted that the Arndale would not be demolished. "Most people thought it would go - but it stays with a new dress on," he said.



Manchester cathedral, at the heart of design for a rebuilt city centre which will honour God and mammon

PHOTOGRAPHS: DON McPHEE

'We want to create the very best city centre in the whole of Europe, fit for the 21st century'

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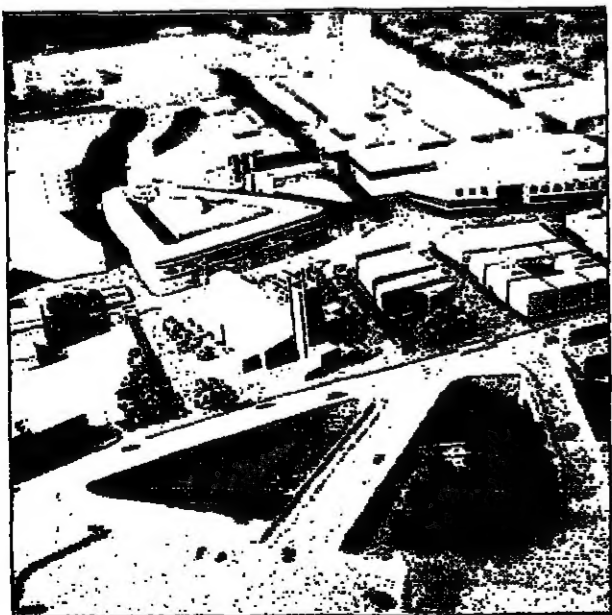
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Parents in opt-... says She
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Parents misled in opt-out vote, says Shephard

John Carvel
Education Editor

GOVERNORS at a comprehensive school in John Major's Huntingdon constituency misled parents into voting to opt out of local authority control, according to a ruling yesterday by Gillian Shephard, the Education and Employment Secretary.

They circulated alarming forecasts of staff cuts and sharply rising class sizes which they said would have to be implemented if Arthur Mellows Village College at Gilton, near Peterborough, failed to convert to grant maintained status.

Mrs Shephard has decided, however, that the false propaganda could not have influenced the parents enough to explain a two-to-one majority in favour of opting out when they balloted in April. She will not order a rerun of the vote.

The Government has twice ordered new parental ballots after ministers substantiated complaints of misleading information.

The Prime Minister has led a campaign over the last year to make it easier for schools to opt out. An education bill incorporating some of his ideas to expand the self-gov-

erning sector goes for its second reading in the Commons on Monday.

Brian Mawhinney, the Conservative Party chairman, will be standing at the general election for the constituency into which the Arthur Mellows school will fall after parliamentary boundary changes.

An official from the Department for Education and Employment said in a letter to the school that Mrs Shephard had concluded that the "misinformation" was "materially misleading".

But Mrs Shephard "considers that a substantial majority vote should not be set aside lightly. In this case, she does not consider that the misinformation was such that it was likely to have caused the necessary large number of parents to have voted differently."

Martin Rogers, co-ordinator of Local Schools Information which advises parents resisting opting out, said it was unfortunate the Government had not used its powers to enforce standards of campaigning since Mrs Shephard could have had no way of knowing how parents would have voted if properly informed.

"I wonder if the result would have been the same had the misleading information been put out somewhere

other than in the Prime Minister's constituency.

"It is unfortunate that the education department lays down a code of practice and then appears not to use the sanctions it gave itself when that code is obviously breached," Mrs Shephard was criticised by the school governors last month for delaying her decision about the complaints so long that the school was running into debt.

Gilmour McLaren, the chairman, said he would be demanding compensation for the loss of £20,000 a month in extra income which the school would have started to receive in September if it had been allowed to opt out on schedule.

• A test to gauge how pupils' performances improve or worsen during their school careers is to be piloted by independent schools as an alternative to the Government's exam league tables, which are widely considered to be misleading, writes **Donald MacLeod**.

The test will predict, at the age of 11, children's likely GCSE and A level results.

Margaret Rudland, president of the Girls' Schools Association, told its annual conference in Brighton yesterday that she hoped the scheme will be taken up by state schools.



Police officers called Nadia Zekra the 'Black Widow', supposed disciple of the extremist Abu Nidal. PHOTOGRAPH: SHAUN SMITH

Israel 'to blame' in car bomb case

Richard Norton-Taylor

THE case against a British-educated Palestinian charged in connection with the bombing of the Israeli embassy in London in 1994 had its roots in the illegal occupation of the West Bank, on the Old Bailey jury was told yesterday.

Michael Mansfield QC, counsel for Jawad Botmeh, said Israeli forces and Jewish settlers had deported Palestinians, confiscated their land, and even waged a "terrorist war". The Israeli government had "no moral or legal right ... doing what they are doing."

"This case is not about the Israeli embassy ... it's about the other way round. It's about what's going on there. We can't examine the evidence in this case without some understanding of where it's coming from and in particular where Jawad is coming from."

Mr Botmeh, aged 28, of Bloomsbury, central London, has denied conspiring to cause explosions. Mr Mansfield yesterday drew the jury's attention to a passage in the indictment which referred to conspiracy relating to acts in Britain.

He came from a family "struggling against all the odds". Mr Mansfield said. There had been "brutal deaths" in the family. "An important factor in the case was his fears about what was going to happen to his family after the Israeli government announced its intention to expel Jewish settlements." Mr Botmeh had never made any secret of his campaigning for an independent Palestine.

The jury heard that Botmeh was born in Bethlehem and educated at Leicester and Nottingham universities. His father, who funded his education, is a bank manager in Ramallah in the West Bank, and his mother is employed by the UN Works and Relief Agency.

Mr Mansfield handed the jury a map of the West Bank and photographs of Mr Botmeh's family village of Batir, five miles from Jerusalem. He described the recent history of Israel, the peace process, the continuing Jewish presence in the West Bank city of Hebron, and the recent visit of President Chirac of France and Malcolm Rifkind, the Foreign Secretary, who sharply criticised the policy of the Israeli government.

Mr Botmeh told the court that Palestinians had been subjected to a "sense of repression, isolation, and degradation". Britain had given him "a sense of freedom".

Samar Alami, aged 30, of South Kensington, west London, and Mahmoud Abu-Wardeh, aged 25, of Putney, west London, have also denied conspiring to cause explosions.

A car bomb exploded outside the Israeli embassy in London in July 1994, causing damage estimated at £5 million.

The trial continues today.

Man loses BA battle

Luke Harding

A RETIRED policeman who claims he has been the victim of a dirty tricks campaign by British Airways yesterday lost his long legal battle against the airline.

A judge dismissed John Gorman's claim for damages after he failed to turn up to the hearing at Central London county court. He is in hospital in Tenerife after collapsing.

Mr Gorman said yesterday he had been too unwell to fly home to represent himself. He added: "There is no justice. The power and the resources of BA have triumphed over the little man."

The dispute began in January 1993 when Mr Gorman allegedly discovered pieces of glass in his brandy and coke during a BA flight to New

York. He allegedly needed hospital treatment and applied to BA for compensation. "But the airline denied the incident had taken place and accused Mr Gorman of being a "Virgin stooge".

A series of increasingly acrimonious exchanges reached a climax last June when Mr Gorman was beaten up by two men who ransacked his flat, allegedly screaming: "This is what you get when you mess with British Airways".

BA has consistently denied any wrong-doing and says it has co-operated fully with police.

Mr Gorman, aged 50, was also arrested, three months after he first complained, by seven plain clothes officers from Heathrow police who accused him of conspiracy to defraud British Airways. The case was later dropped.

Last September, Mr Gor-

man's BMW was vandalised outside his flat in Enfield, north London, and the words "no win BA" were allegedly graffitied on the boot.

Yesterday Robert Webb QC, representing BA, successfully applied to have the case dismissed. He said: "We say this is a fraudulent claim by a professional claimant." He claimed Mr Gorman was suffering from nothing more serious than fainting.

Costs were awarded against Mr Gorman, who has spent £15,000 fighting the case. He plans to appeal against the ruling.

British Airways last night described Mr Gorman's claim as "fraudulent", adding: "We have always said the right and proper place to hear these claims is in court where all the evidence can be heard in full. We are only sorry this could not happen today."

'I was desperate to get out'

Nadia Zekra tells Maggie O'Kane of her five-month ordeal in Holloway jail, accused of a crime she did not commit

UNTIL one morning in January 1994 when she woke to find four members of the anti-terrorist squad standing over her bed, Nadia Zekra, had been a Kensington lady who lunched.

She was 47 and had come to London with her wealthy businessman husband to take things easy. Her sons were grown up, she shopped at Sainsbury's on Cromwell Road, she had seen Pavarotti in Covent Garden, would never have missed Picasso at the Tate and once a week went to opera awareness classes in a friend's flat.

Then almost two years ago she became the Crown's chief suspect in the 1994 bombing of the Israeli embassy in London. Two days ago an Old Bailey judge directed a jury to acquit her, telling the Crown that no jury would sustain a case against a woman based on conflicting eyewitness accounts.

Nadia Zekra is clearly still stunned by the events of the last 20 months of her life.

They include five months as a category A prisoner in Holloway jail; four days' interrogation in Charing Cross police station, where she exercised in handcuffs in a prison yard watched by police officers who nicknamed her the "black widow", the supposed disciple of the Arab extremist, Abu Nidal, seeking vengeance for her martyred son.

Now she's been given back her identity as Nadia Zekra, a fan and housewife with a taste for Pavarotti and a lot of anger. She says she came close to breaking point several times in her four months' imprisonment.

"They came straight to her bedroom that January morning and she woke to the words: "We are charging you with the bombing of the Israeli Embassy on July 26 1994 and with collaborating in the bombing of Balfour House on July 27."

She sat up in bed in her nightdress and called her husband, Ahmed, aged 54, who had already been banished to the lounge with their son, Nadeem. She never got a chance to say goodbye to them.

"I suppose I was in shock for those first hours. I just thought this is a terrible mistake and all I have to do is to tell them everything they want to know."

Yesterday, 24 hours after the Old Bailey judge had thrown out the case against her, she was fielding calls from wellwishers.

"The worst moment was when I arrived in Holloway and they admitted me. I made me put all my clothes in a plastic bag."

"All these people banging on the door shouting: "which embassy did you bomb? How long did you get? I just cried and cried. They were nice to me there. I think they felt sorry for me because I was always crying."

Four and half months later bail was granted and fixed at £500,000. "It took about 10 days for my husband to raise the money among all our friends. Those last 10 days were the worst. I was desperate to get out and I just kept saying to myself this is all going to end as fast and as suddenly as it began."

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Surgeons gain right to advertise

David Brindle, Social Services Correspondent

SURGEONS and other health specialists will be allowed to advertise after the General Medical Council yesterday lifted the ban on them promoting their services.

Specialists will be able to publish or broadcast "verifiable information" about the services they provide, enabling patients to find out how many procedures they carry out — and how many of them are successful.

Doctors will, however, be told they must not exploit patients' vulnerability or lack of medical knowledge. In particular, they will be barred from guaranteeing cures or arousing fears of future ill health.

"They will be prohibited from visiting or telephoning patients to promote themselves.

The move, which comes six years after GPs were allowed to start advertising, was hailed by patients' groups as a "breakthrough in promotion of public awareness of health care."

Guy Howland, chief executive of the Patients' Association, said: "We very much welcome this."

"We don't think people should be encouraged to bypass their GP and go direct to specialists, however, al-

though that could come in a later stage of development."

Restrictions on doctors' advertising were eased in 1990, following an inquiry by the Monopolies and Mergers Commission. But they have continued to limit specialists largely to advertising to professional colleagues.

The GMC has previously argued that allowing specialists to advertise could undermine the gatekeeper role of referring GPs. But a report yesterday said changes in public and professional attitudes had made it increas-

ingly difficult to apply the distinction between GPs and others. "Patients more often want to participate in decisions about their care and seek information about all the services which are available," the report said.

It added that setting different standards for GPs and specialists was "no longer necessary or practicable."

The council agreed to draw up a single set of rules for advertising by all doctors, bound by a framework of restrictions to ensure patients are not exploited.

Kipling story drafts kept by secretary fetch £9,250

John Ezard

AN EARLY draft of a millennial story in which Rudyard Kipling foresaw the Telecom Tower 60 years ahead of time was among a newly discovered batch of papers sold at auction for £9,250 yesterday.

The story drafts and letters, described by their buyers, Sussex University, as "tremendously exciting", survived because the author and his wife mistreated his secretary, Miss K.E. Parker, who worked for him in 1902-04.

"They treat me like a common typist and yet expect work of as good quality as if they treated me at least with civility and paid me well," she complained in a note found with the papers.

Miss Parker kept the documents "as an indication that her work was of high quality", said manuscript specialist Derek White, who found them in paper bags in a chest of drawers sent from a house near Chichester, Sussex, to auctioneers Stride and Son.

The star exhibits are typecripts, with changes in Kipling's handwriting, of With the Night Mail, a fantasy story published in a magazine in 1905 and set in 2000.

Kipling imagined a "GPO Outward Mail Tower" landing parcels on to airships over London for delivery around the world.

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Vengeful Zaireans sack Mobutu mansion

Chris McGreal reports from Goma on the looting of the hated president's lakeside holiday home, a monument to extravagance in land of poverty

MOBUTU Sese Seko has paid only one visit to his palatial holiday home on Lake Kivu. That was six years ago and he will not be going back. As Zaire's president recuperates in his villa on the French Riviera from a cancer operation, looters pick away at the bones of his sprawling mansion on the edge of Goma. Rwandan-backed rebels took the provincial capital in eastern Zaire at the weekend. By then, hundreds of bodies littered the streets. Red Cross workers said they had already buried more than 400, most of them civilians, in mass graves. Many of the city's residents fled with the army. Some of those who remained said government soldiers gave civilians their weapons, told them to carry on fighting and ran. Some hid. Others went looting. President Mobutu's holiday home was an early target, perhaps as much out of spite as for its pickings. Few people

are so hated in the region as Zaire's leader. Perhaps that is why he has only ever been once. The front of the main house — badly modelled on a French chateau — offers spectacular lake views. Out the back and around the corner the views are of dozens of families crammed into half-finished buildings and living in grinding poverty. The car park is home to the only two ambulances in the province, spotlessly awaiting the president who never comes. Goma's main hospital less than a mile down the road has no anaesthetics. Beside the ambulances are five gleaming black Mercedes. Behind them is a Land Rover with carpeted steps up the back to carry the president grandly through Goma. It has the number plate "P". The looters did not touch the cars. They concentrated on the practical by cleaning out the wine collection which took up an entire room — the bedding, the televisions and the light fittings. They turned their noses up at the

plastic Romanesque plinths, the giant fake Ming vases and the imitation marble tables which cluttered the living and dining rooms. Mr Mobutu might not have been there in six years but his holiday home was kept ready should the fancy take him. Despite the looters' best efforts elsewhere in the house, the his and hers bathrooms remain immaculate. His is done out in sky blue

with stereo speakers built into the ceiling. The centre-piece is a large whirlpool decorated around the edges with big bottles of aftershave and bath salts. Hers is fitted in pink and burgundy, with giant bottles of Chanel perfume and a gold-coloured pillow. Mr Mobutu and his wife have separate bedrooms. Beside her bed is an album with photos of herself.

The palace guards obviously did not defend it for very long. If at all. A machine gun stands abandoned by the entrance. Unopened boxes of ammunition are stored in back rooms. In place of the absent guards are young men who the Rwandans say are nothing to do with them. But many of the rebels on the streets of Goma yesterday were speaking Rwanda's native tongue, and some who grew up as Tutsi exiles in Uganda even shouted in English. A couple of the rebels wandered around the house. They touched nothing, perhaps as astonished as the looters at Mr Mobutu's taste. But it seems doubtful the Mercedes will sit unused for long. The rebels had done their own plundering in other parts

of the city: expropriated United Nations vehicles are the most common means of transport. Mr Mobutu was not the only target of the rampage. The centre of Goma, never an alluring town, was ripped apart. Shops along the main street had been plundered of their pathetic contents. Outside a clinic, packets of condoms were strewn everywhere. Apparently no one in Goma has any use of them. Money was discarded in the streets, so devalued that no one bothered to pick it up. Even yesterday, with rebels everywhere, the temptation to loot was not resisted. Two Zaireans pulled a fridge past Mr Mobutu's palace on a wheelbarrow. They got away. Others were not so lucky. Five young men sat on the ground with their heads bowed between their knees. A rebel soldier walked by and beat each across the back with a piece of metal. Then they were piled into a commandeered United Nations car and driven off.

Leader resists calls to help promote intervention force

Paul Webster in Paris

INTERNATIONAL efforts to get a reluctant Mobutu Sese Seko to return to Zaire from his Riviera villa increased yesterday when he was asked to co-operate with French plans for a multinational force to protect refugees in eastern Zaire. Zaire's president, convalescing after surgery for prostate cancer, will hold

talks tomorrow with Raymond Chrétien, the United Nations mediator in the fortnight-long conflict between ethnic Tutsis and the Zairean army. President Chirac — who will discuss his attempts to raise an international force to intervene in Zaire with John Major in Bordeaux on Friday — is trying to persuade Mr Mobutu that he must go home to take advantage of a three-week truce by the Tutsi rebels in

eastern Zaire and set up protected corridors to enable supplies to reach refugees. But hopes that Mr Mobutu would take a lead in settling the crisis received a setback right away: Zaire refused to attend a special meeting of African states in Nairobi yesterday to discuss the conflict. Without Zaire's participation, the meeting's call for urgent deployment of a neutral force in eastern

Zaire was weakened. The US ambassador in Rwanda, Robert Gribbin, has also described military intervention as "useless". Rwanda — which backs the Tutsi rebels in eastern Zaire — also opposes foreign intervention. Mr Mobutu was apparently given a French visa on the understanding he would retake control of domestic affairs, but he has told officials that he needs a long recovery.

Yeltsin hands over to low-profile prime minister

Chernomyrdin tastes power

David Hearst in Moscow describes pressures facing the presidency

RUSSIA got a new president at 7am yesterday. His powers last only as long as Boris Yeltsin judges himself to be unfit for office, but while they last the prime minister, Viktor Chernomyrdin, is certain to savour them to the full. The handover took place just before Mr Yeltsin went into the operating theatre for a heart bypass. He signed a decree to activate another prepared in December giving Mr Chernomyrdin all presidential powers, including control of the nuclear button. It will be ended by a further decree by Yeltsin if and when he recovers. In an address before the operation, Mr Yeltsin declared that "not for a minute" would Russia be without a leader. "He [Mr Chernomyrdin] and my other colleagues are tested and reliable people. They will have great responsibility in the time to come," he said. In reality, Mr Yeltsin has done everything he can to limit the time that Mr Chernomyrdin is in control. During this period Anatoly Chubais, chief of the presidential administration and one of the "other colleagues", is supposed to take orders from Mr Chernomyrdin, his rival. The two men were invited to sit on a body called "the union of four". It has not met, but has already become a union of three after Gennady Selezynov, the Communist leader of the Duma, walked out in protest at the appointment of controversial tycoon Boris Berezovsky, a Chubais man, as deputy chairman of the security council. It was never clear what powers the union had or who was meant to be responsible to whom. The Chernomyrdin-Chubais rivalry is intense. Mr Chubais has seized control of

economic policy and is attempting to do the same with the security council. He has launched an attack on the regions to get federal spending under control. In contrast, Mr Chernomyrdin is a compromiser at heart who took a softer line than Mr Chubais with Mr Yeltsin's defeated opponents after this year's elections. The Communist leader, Gennady Zyuganov, replied with statements supporting the prime minister, and the impression has grown that an alliance could be in the offing. It could include General Alexander Kulisov, the minister of the interior, and the mayor of Moscow, Yuri Luzhkov. Their targets would be Mr Chubais and the ousted populist security chief General Alexander Lebed. As rumours of an alliance grew, the press published a series of leaks about multi-million dollar dachas Mr Chernomyrdin was building for himself and his sons, and warnings that a revenue crisis would leave 85 per cent of state workers' wages and the army unpaid last month. These leaks sought to stop Mr Chernomyrdin's alliance-building. He replied with his own campaign: a rare interview at home presented him as a home-loving man, cooking, playing the accordion, and even talking wistfully about women he fancied. Mr Chernomyrdin needs time as acting president. Mr Chubais and his go-between — Mr Yeltsin's daughter Tatyana Dyachenko — need her father to recover quickly. No definition of an "active" president exists. Mr Yeltsin has refused to countenance the creation of a medical commission to adjudicate on his fitness to govern. At the president recovers, from a multiple heart bypass known to have a treacherous recovery period, intense pressure will be applied to talk up his fitness, and for him to appear in public to prove it. It could be a short and bumpy ride for Mr Chernomyrdin.



A boy lights a candle for Boris Yeltsin in Moscow's Kazan Cathedral in Red Square. The head of the Russian Orthodox Church asked believers to pray for the president as he recovers from bypass surgery. PHOTOGRAPH: ALEXANDER DEMANCHUK

Criticism softened by sympathy

Even unpaid workers find a few generous words, writes James Meek in Moscow.

THE HI-TECH heart clinic which could mean a new life for Boris Yeltsin provides less than half a job for Maxim Bachkarov. The junior therapist, aged 25, emerging from the cardiology research centre yesterday as news came of the success of the president's bypass operation, earns just £23 a month. He has to moonlight as a drugs

salesman for a German firm to raise his salary by a further £83. He voted for Mr Yeltsin in June — "there was no alternative" — but would not necessarily support him now. "In the light of recent events, it would be better to have a fresher leader," he said. The centre, a rambling collection of more than 30 buildings, stands on the

edge of Moscow, where packs of stray dogs roam among birch forests, gloomy in an unseasonably warm, dank November. It is part of the architecture of Soviet gerontocracy. It was decided that world-class cardiological treatment should never be more than a few minutes away for the ageing leaders. Mr Yeltsin's flat lies half a mile to the east; the Barvikha sanatorium a few miles to the west. The central clinical hospital and another heart clinic are nearby. Other staff and patients from the centre supported the president, part of a wave of personal sympathy for Mr Yeltsin spreading through Moscow yesterday. Lyubov, aged 44, who had just come from an examination of her heart at the centre and said she had been surprised at the lack of security, said: "I voted for him. There's no better candidate so far. There's no suitable replacement, so, for the time being, as long as he has the strength, let him work."

In the centre of Moscow yesterday, as thousands of trade unionists marched and picketed government buildings to protest at delays in salaries, the mood remained kind to Mr Yeltsin as a human being, but harsher towards his future leadership. "I do feel hostile towards Yeltsin," said Valentina Mironova, aged 44, an accountant from the ZIL car plant. She has not been paid since, in September, she received half of the money she had been due in March. Victor Smirnov, aged 50, an engineer from the Central Aerodynamic Institute — Moscow's equivalent of NASA — said: "As a person, I wish him health, but as a president, I'm sorry, he doesn't fulfil the most basic responsibility of his post: to be the guarantor of his country's stability."

Mr Smirnov said he had not been paid his £47 salary since August. "Our salary is half the minimum level required to exist in Moscow," he said. "The Russian people are very patient, but everything has its limits."

'I am sure everything will be all right' — Boris Yeltsin

Dear Russians! You know that I am to undergo a serious operation today. I want to say thank you to those who have been sending letters and telegrams wishing my president the speediest recovery. Sympathy and a good word can sometimes be more impor-

tant to a person than any medicine. My family is helping me in this difficult moment, taking care of me. My thanks to my wife, daughters and grandchildren. Thanks to you all. My family and friends are concerned on the eve of the operation, they are nervous. But I am sure everything will be all right. During the operation, I have by decree transferred all presidential powers to the head of the government, Viktor Stepanovich Chernomyrdin. Not for a minute will the country be without a leader with full powers. He and my other colleagues are tested and reliable people. They will have great responsibility in the time to come. I do not intend to stay long in hospital. I believe I will soon be working at full strength, as I did before. Be aware that everything I have done, am doing and will do is all for the sake of Russia, for your well-being and for a worthwhile life. It is especially important to me that you know that today. I wish you all health and peace and good luck. — *Reuter, Kabul.*

News in brief

Palestinians step up peace demands

CASTING a pall on peace talks, a Palestinian official said yesterday that Yasser Arafat will not sign a deal on an Israeli pullout from Hebron unless Israel fulfils several other commitments. Yasser Arafat said Israel must agree to withdraw from more rural areas of the West Bank, release Palestinian prisoners, create a safe route between the West Bank and Gaza and honour other clauses in autonomy accords signed last year. "Last night, the Palestinian leadership sent a letter... to the American administration stating our position," he said. "For any agreement with Israel, there must first be a guarantee of the commitments on the entire interim agreement." Israel appears eager to implement the delayed pullout from Hebron, the last West Bank city under occupation. But the Palestinians' insistence on a package deal raises doubts about prospects for an agreement on security arrangements. The scheduled March pullout was delayed after attacks by Islamic militants in Israel. — *AP, Hebron.*

Iceland has melt-water floods

TORRENTS of pent-up melt water from a vast sub-glacial lake poured on to the deserted coastal plains of eastern Iceland yesterday, a month after a volcano erupted beneath the Vatnajökull glacier. Estimated to hold some 70,000 cubic feet of melt water, the Grimsvotn lake had been building gradually since early last month when the volcano — called Loki after an ancient Norse god of evil — began rumbling underneath the glacier. Engineers have been working to strengthen the walls of trenches in the barren Skeidarsandur plain at the foot of the glacier, hoping to direct the flood away from power lines and bridges. — *John Herley, Helsinki.*

Peruvian drug suspect held

THE Peruvian government said police had captured the man they claim is the country's most wanted drug baron in neighbouring Ecuador and had broken up his trafficking ring, which was supplying Colombia's Cali cartel. In a joint sting by Peru's intelligence service and Ecuador's police, Wilber Alvarado Linares was arrested in a hotel in Quito during the early hours of Sunday morning after being tracked from the Colombian capital, Bogotá. Four other alleged traffickers were arrested with him, and another 41 suspected members of his band were simultaneously arrested across Peru and Ecuador. — *Reuter, Lima.*

Algerian villagers' throats cut

ISLAMIST rebels killed 10 women and three children in a village near Algiers, cutting their throats one by one, the Algerian newspaper *Liberté* said yesterday. More than 20 rebels invaded Douadouda, a cluster of coastal villages, at the weekend and surrounded a house. A home-made bomb was thrown into the courtyard and when the women and children ran from the house they were rounded up and killed. Security forces killed three of the rebels. — *Reuter, Paris.*

Taliban threatens Tehran

THE fundamentalist Islamic Taliban movement in Afghanistan yesterday accused Iran of supplying ammunition and men to the northern alliance of General Abdul Rashid Dostam and Ahmed Shah Massoud, which it is fighting for power, and for the first time threatened a "reaction" if Tehran continued. "If their intervention continues, it will affect our relations and will cause us to react," the acting information minister, Amir Khan Mutaqi, said. There was no indication of what form retaliation might take, but Mr Mutaqi said the Taliban did not intend to enter Iranian territory. — *Reuter, Kabul.*

Infiltrators killed in S Korea

SOUTH KOREAN troops yesterday killed two North Korean agents who had been on the run since September, but lost three men in a fierce gun battle, officials said. The two agents were among 26 North Koreans whose submarine ran aground off the eastern city of Kangnung on September 17, a military spokesman said. "Our troops killed two members of the enemy's reconnaissance team after fierce exchanges of gunfire with the armed infiltrators," he said. Two South Korean officers and a soldier were also killed when the North Korean agents opened fire with automatic rifles and hurled grenades at pursuing troops near the border with the communist North, Seoul officials said. Only one of the original 26 North Korean infiltrators is still at large. — *Reuter, Seoul.*

Indian court refuses Rao bail

A COURT in New Delhi yesterday refused bail to the former Indian prime minister, P. V. Narasimha Rao, in a forgery case and gave him until November 14 to appeal to a higher court. Immediately after the hearing, Mr Rao's lawyer said he would appeal against the order in a sessions court. He is one of four people charged with involvement in an alleged attempt in 1989 to defame V. P. Singh, a Congress party defector who later became prime minister. The others are the former minister E. K. Tewary; Chandraswami, a Hindu guru close to Mr Rao; and the guru's assistant, Kallash Nath Agarwal. He denied he had been a higher court. Mr Rao, who has also been charged in a separate case of bribery, could be arrested and taken into custody. — *Reuter, New Delhi.*

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Few in Pakistan mourn second passing of Benazir Bhutto

Born survivor falls from grace

A comeback for the woman who personified her country's struggle for democracy will prove more difficult this time, writes Suzanne Goldenberg in Islamabad



Benazir Bhutto

HELD virtual prisoner, Benazir Bhutto was yesterday in political disgrace, disowned by followers whose support she once regarded as a birthright, and mocked by her opponents.

Police stopped cars from travelling to within 500 yards of her prime ministerial residence in Islamabad, where Ms Bhutto was closeted with her ailing mother, Nurat, and her three small children.

Her husband, the investment minister, Asif Ali Zardari, is now believed to be under arrest.

Late last night, some members of her Pakistan People's Party (PPP) were allowed to visit her, after she had been held incommunicado for many hours.

She had last had a telephone conversation at 2am yesterday morning, within half an hour of learning of her dismissal, according to her distraught political secretary of 13 years, Nabeed Khan.

Earlier, Ms Khan exhorted ministers of the fallen PPP government to stage a sit-in on the approach road to Ms Bhutto's residence. But her fury was unmatchable in the rest of the country.

In Lahore, a matron in the airport waiting room wore a satisfied smile at Ms Bhutto's dismissal by President Farooq Leghari, backed by the army.

"Good," she said, smoothing down the purple silk of her tunic. "They should have done it ages ago."

In Karachi, once a virtual fiefdom of Ms Bhutto's PPP, the poor passed around sweets in the city slums, while the rich celebrated the rise of the stock market. In

Peshawar, they let off rounds of gunfire in jubilation. Only in the capital, Islamabad, were people so unmoved that it was business as usual.

Their indifference is difficult to reconcile with the near adoration with which Pakistanis received Ms Bhutto when she returned from exile in London 10 years ago, or with the respect she earned for her zeal in seeking vengeance for the 1979 execution of her father, Zulfikar Ali Bhutto, after a sham trial.

Most observers would argue that Ms Bhutto's problems are of her own making. A fatal mix of personal arrogance and ministerial incompetence and greed squandered the popularity that brought her to power twice after the restoration of elected government in 1988.

Her husband, Mr Zardari, became so associated with the corruption that thrived under her government that he was called "Mr 30 per cent".

At the same time, a police offensive in Karachi against militants of the Mohajir Qasmi Movement was pursued with deadly effect. More than 2,000 people died in the city last year, and human rights groups have accused the police of cold-blooded murder.

"If you want to be all-powerful, you are bound to transgress," said Mir Zafarullah Khan Jamali, an independent member of the national assembly and a former chief minister of Baluchistan.

In the rough-and-tumble of Pakistani politics, Ms Bhutto is a born survivor. But a climb-back will not be easy. This time around, she lacks a clear enemy. Unlike the army takeover that ended her father's career, her ousting has been a compromise through the constitution, which gives the president sweeping powers to dismiss an elected government.



A Pakistani shopkeeper does a celebratory dance in an Islamabad market yesterday after the sacking of Benazir Bhutto by President Farooq Leghari

PHOTOGRAPH BY DYLAN MARTINEZ

The new prime minister, Meraf Khalid, is a veteran socialist and a founder of the PPP. Like President Leghari, his democratic credentials have gone unquestioned. Although Mr Khalid filled his cabinet with mainly apolitical appointees yesterday, he also drafted in a member of the senate, or upper house, from Ms Bhutto's party.

Cabinet ministers insist the interim administration will

step down before elections in February, dampening fears that the army plans an extended re-entry into the political sphere. "I know there is a lot of scepticism, but we have no reason to doubt that the elections won't go ahead," said Abida Hussain, a former ambassador to Washington.

The caretaker government is being portrayed as a necessary mechanism to rescue the country from ruin. "The issue

was: could our economy, could our judicial system, could our institutions, survive until Benazir's term expired in 1997?" Ms Hussain said.

By accusing the fallen government of corruption and gross financial mismanagement — charges echoed in the International Monetary Fund and other donor institutions — Ms Bhutto's opponents have stripped away the man-

ifestation of righteousness she assumed to fight the martial law rulers.

After months of acquiescence in her imperious style of command, the members of her sacked government are at a loss without her.

All telephone lines have been cut in the ministers' housing complex, forcing PPP leaders to gather at dreary tea parties to commiserate and come to terms with what has befallen them. "The situation is that we have been looted," said Jehangir Badar, the religious affairs minister. "We have been robbed to stop the robbery."

Yet, previous crises have allowed Ms Bhutto to demonstrate the courage and tenacity that have sustained her since she was forced by tragic circumstance to take on the bloody family legacy.

After the death of her father, a wealthy landlord and self-styled saviour of the peasants in his native Sindh province, Ms Bhutto and her mother were left to lead the struggle against the military regime. Ms Bhutto left for London, in ill-health, only after several years in jail and under house arrest.

But her moment came at last when General Mohamed Zia ul-Haq, the man who had her father killed and sought to carve out a permanent role for Islam in public life, died in a still unexplained plane crash in 1988.

Pregnant with her first child, Ms Bhutto took on a

punishing campaign, and her PPP emerged as the largest party in elections later that year.

Her government lasted just 20 months, and was sacked amid accusations of corruption similar to those now heard against the prime minister and her husband. Ms Bhutto accused President Ghulam Ishaq Khan of plotting against her in deference to his cronies in the army. Mr Ishaq Khan was known for his proximity to General Zia.

But Ms Bhutto was undaunted. Though the couple faced 18 separate charges of corruption, for which Mr Zardari spent several months in jail, Ms Bhutto returned to power in elections in 1993, and they won acquittals on all cases against them.

Meanwhile, the other claimant to the Bhutto political legacy, her brother Murtaza, raised a guerrilla army and fled into exile in Syria. His action, which his embittered sister saw as virtual abandonment, opened a rift that widened after his return from exile in 1993. Ms Bhutto had him jailed immediately on arrival. Upon his release, he lured away her party's radicals and veterans, founding the PPP-Shahid Bhutto Faction.

The feuding siblings never had a chance to make up. Murtaza was shot dead by police outside his home in Karachi on September 20 in an operation that was cited yesterday — along with the other

unlamented deaths — as the primary reason for the dismissal of the government.

Mr Leghari was unmoved by Ms Bhutto's accusations that Murtaza was the victim of a conspiracy against the Bhutto clan — a refrain which became increasingly familiar as pressure mounted against her government. "These malicious insinuations, which were repeated on different occasions, were made without any factual basis whatsoever," the dissolution order said.

The harsh condemnation, and detailed account of her government's misdeeds, could scarcely have been predicted when Ms Bhutto started her second term in October 1993, and Mr Leghari was elevated to president a month later. A PPP veteran, he had proven his commitment to elected government.

But they fell out six months ago after the supreme court ruled that the government had unlawfully tried to interfere in the appointment of judges. Coolness turned to open warfare within days of Murtaza's death.

Yet the end, when it came yesterday, was greeted with widespread surprise. Ms Bhutto's fate — and that of her country — is uncertain. She seems bound to live out a cruel destiny, scrambling up to the pinnacles of power, only to be cast down again.

Leader comment and Letters, page 8

Cast of characters



Farooq Leghari: The Oxford-educated president was once a Bhutto loyalist. He was secretary-general of her Pakistan People's Party and a minister in her first government. He criticised the constitutional powers to dismiss government and dissolve parliament which the late President Zia ul-Haq took in 1985 and spent four years in jail when Zia declared martial law.



Asif Ali Zardari: Benazir Bhutto's husband, appointed investment minister despite objections from President Farooq Leghari, has been the repeated target of corruption allegations. He was arrested in 1990 and spent two years in jail, but the charges were dropped after Ms Bhutto returned to power in 1993.



Meraf Khalid: The veteran politician, aged 80, sworn in yesterday as head of the new caretaker administration, is rector of Islamabad's Islamic University. A founder of the Pakistan People's Party — of the generation of Benazir Bhutto's late father, Zulfikar Ali Bhutto — Mr Khalid dissociated himself from active politics when he was denied a ticket to contest the 1993 elections.

Military ensures economic reform by force

Jonathan Steele examines why the army finally lost patience with the ruler

BENAZIR BHUTTO'S dismissal is not technically a military coup, but there is no doubt it had the support of the army. The precision with which it was carried out — after midnight with all airports and broadcasting stations shut down and under army guard — makes it clear the military was running the show.

More than that, the army high command was the main impetus behind President Farooq Leghari's move. General Jehangir Karamat, the army chief,

recently gave him a list of politicians the army wants investigated for corruption. It included Ms Bhutto, her husband and opposition leaders. The army chief stressed that he wanted a clean-up, even if it meant dispensing with the government.

Between Pakistan's establishment as an independent state in 1947 and the end of its third war with India in 1971, the army ruled for much of the time. After an interlude of civilian rule under Ms Bhutto's father, another military regime seized power in 1977, under

General Zia ul-Haq. His administration argued for higher taxes on landowners, who last year paid less than \$60,000, or roughly 0.0036 per cent of direct taxes. In a population of 130 million there are only 100,000 registered taxpayers.

The army, made up largely of professionals with no fondness for landed families, favoured the agricultural tax — the alternative was a curb on its own spending. Defence eats up more than a quarter of the budget.

The government's failure to cut the budget deficit and the growing surplus of imports over exports was threatening Pakistan's credit rating. The country has one of the world's high-

est foreign debts and reserves are falling fast. Army leaders do not, at this stage, want to take full power. They seem to prefer a government of technocrats to do the IMF's bidding. Nevertheless, it looks highly unlikely that President Leghari's promise of elections within three months will be honoured.

There are many ways of postponing elections, not least by saying that it will take time to install an independent election commission and complete a census. Mr Leghari signalled yesterday that he wants the corruption allegations cleared up first.

While these cases drag on, the army will be watching the caretakers closely.

Case of the high-living butler closes

Ian Katz in New York

THE improbable story of Bernard Lafferty, the barely literate Irish butler who inherited a multi-million dollar fortune from the tobacco heiress Doris Duke, ended in a Bel-Air mansion in the early hours of Monday morning.

Mr Lafferty, who became a confidant of the boss in her last years, was found dead in the \$2.4 million (£1.5 million)

mansion he bought with his \$4.5 million windfall from Ms Duke's estate.

Ms Lafferty, aged 51, was said to have a severe drinking problem, but a spokeswoman said he appeared to have died of natural causes.

Ms Duke died in 1993 aged 89 in her Beverly Hills mansion leaving \$1.2 billion. Although Ms Duke, who had no natural heirs, left most of her money to charity, she named Mr Lafferty as an executor, ordering that he should

receive \$5 million and a \$500,000-a-year salary for the rest of his life.

Ms Duke's body was barely cold, however, before a nurse who cared for her in her last days alleged that Mr Lafferty and a doctor had murdered her with an overdose of morphine and sleeping pills.

An inquiry by the Los Angeles district attorney's office found "no credible evidence" to support the murder allegations. But several of Ms Duke's

former employees, as well as her adopted daughter, Chandli Heffer, challenged the will, claiming that Mr Lafferty had used "fraud, duress and undue influence" to bully Ms Duke into making him her prime beneficiary.

As the legal battle unravelled in a New York courtroom, Mr Lafferty embarked on an Olympic spending spree, jetting between Ms Duke's mansions in New Jersey, Los Angeles and Hawaii in her private Boeing 737 and

spending hundreds of thousands of dollars on antiques, clothes and jewellery.

When the New York Judge Eve Freminger discovered that he had spent more than \$400,000 from Ms Duke's estate, she removed him as an executor, but her decision was later reversed by a higher court. The former butler eventually reached a settlement with the estate, resigning as an executor but keeping his \$500,000-a-year salary.

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A flawed charisma

Benazir failed twice: yet why depose her?

BENAZIR BHUTTO has not served Pakistan well — again — as prime minister. The idealism which brought her into politics after her father's murder to struggle "for the poor and down-trodden" faded long ago. Once more, the malign role of her husband, plausibly accused of corruption, gives her enemies a decisive extra weapon. The economy has been hugely mismanaged and Pakistan is hurtling towards a crisis worse than anything experienced since division in 1971. There have been other compelling grounds for the decline in popular support, including the manner in which her brother, Murteza Bhutto, died, and the police killings in Karachi. Ms Bhutto must retain some sympathy as a woman who has to battle against an almost exclusively male, very largely Muslim, political establishment. But few would deny that her charisma has become deeply flawed.

Yet does all, or any, of this justify summary removal by President Leghari and the dissolution of the National Assembly? It is true that the president's action is technically legitimate. But this is only so as a result of the eighth amendment, incorporated into the constitution in 1985. Its purpose then was transparent: to give the president drastic powers to dismiss elected governments, thereby retaining the army's pre-eminence even while undertaking half-hearted democratisation. Those forces in the opposition and the military which now support Mr Leghari's move are hardly doing so from any great commitment to democracy or to the plight of the poor.

Ms Bhutto was unable to reduce the two huge political and economic burdens which hang round the neck of every regime in Islamabad: the entrenched interests of a rapacious landed aristocracy, and the inordinate budgetary demands of Pakistan's military. Critics will say that she never made the

effort, and allowed herself to be constrained by her own family's landed connections. The post-partition history of Pakistan also shows that tangling with military ambitions is a dangerous business. Nor can the Western world profess to be merely an observer. During the cold war, our governments showed little concern for democracy in Pakistan, building up the military there as an anti-communist bulwark which also helped put a brake upon Indian nationalism. Pakistan's intelligence agencies were later boosted in the 1980s by being used recklessly as a conduit for Western military aid to the mujahedin in Afghanistan. Both countries — and the West — continue to pay the price for that. Nor has much effort been made from outside to induce progress towards settling the Kashmir question, which continues to warp attitudes and retard modernisation in both India and Pakistan.

Ms Bhutto has also proved incapable — again for the second time — of dealing effectively with the third huge constraint, along with the army and the landlords, upon policymaking in Pakistan. The failure to deal successfully with the IMF appears to have cost her most of all. Saddled by Pakistan's historic debt, she was in a no-win situation. The IMF simultaneously demands higher taxes on land and cutting the defence budget — admirable goals but politically impossible for a prime minister hoping to survive. It also insists upon budget cuts which would alienate what remains of her Pakistan People's Party's electoral appeal. We may debate whether Ms Bhutto threw away a second chance, or found the odds too high against her. But a new elected government — if indeed elections are held next February — will be hemmed in by the same forces against which even unflawed charisma would have found it hard to prevail.



Letters to the Editor

Bernard's jokes fall flat

JONATHAN Margolis's article on Bernard Manning (Heard the one about the racist comedian, November 4) carries all the contradictions of a writer desperate to cash in on a controversy. "Is comedy's job to be nice and inoffensive?" he blusters in the comedian's defence. Comedy's intention is to provoke, cajole and even outrage the sensibilities of our society. And, taken within the context of America's racial experience, it seems easy to understand the black-righteousness of humourists like Eddie Murphy and Richard Pryor. But minorities migrated to Britain as blue-collar workers, not as slaves. Manning's contempt for his fellow citizens negates any evaluation as a genius of delivery.

Margolis also excuses Manning as an "uncouth, working-class racist", comparing him to Larkin, Dahl and Kipling. Does the fact that he is working-class make him any less culpable? So he gives to charitable causes: don't we all? Only when he admits that "Manning is intent on trying to preserve the past" does Margolis get anywhere near to uncovering the truth. Comedy in this country, in any country, has always been a reflection of the fear and optimism of an era. The sexual promiscuousness of the seventies, the rank-capitalism of the eighties, the pre-millennial uncertainty of the nineties... comedy has always been a reflection of the zeitgeist. Manning's brand of humour, racist or otherwise, remains stagnant in his portrayal of a country that no longer exists. Burhan Wazir, Eastwood Mains Road, Glasgow G76.

ALL my life I've wondered why I've been unable to have a good laugh about my grandparents' extermination in the Nazi death camps. Having read Jonathan Margolis's defence of Bernard Manning I confess I'm none the wiser. Manning's Auschwitz joke generates discomfort not because it exposes our thinly-veiled prejudices, but because it provokes guilt in its audience for colluding with a shameful, degrading mockery. Shameful since such a joke panders to the host group's sense of superiority by trying to curry favour, and doubly shameful since the joke's impulse is not rooted, as Margolis asserts, in "pure, almost adolescent, principled perversity" but in those almost purely adolescent bugbears — lack of self-respect, and wavering sense of identity.

Racist humour is, at best, the product of a primitive survival reflex, and honours nobody's humanity. Charlie Moritz, Stubbins Lane, Stockport SK12.

The business of business is our business too

DESPITE the rhetoric and personal abuse, Anita Roddick and Sir Stanley Kalms raise some serious issues about stakeholding (Staking their claims, November 2). A fundamental flaw in Sir Stanley's argument is the implicit assumption that business can choose whether or not to embrace stakeholder concepts. If the recent experience of British Gas, Yorkshire Water, Royal Dutch Shell and even the Body Shop teaches us anything it is that, increasingly, business decisions will be exposed to public debate. Business does not have a choice. There is growing public concern that businesses have a responsibility to do more than make money and cover the darker side-effects of production. These demands can be messy — the public may be swayed as much by half-formed perceptions as by hard facts: MPs may be driven by political advantage rather than business logic or real concern for communities. But does anyone believe that the pressures of social responsibility will go away? As these pressures mount, business leaders will have to develop new relationships with shareholders, with employees, with customers and — most important — with the public as a whole. Greg Parston, Chief Executive, Office for Public Management, 252b Gray's Inn Road, London WC1X 8JT.

If the debate on corporate responsibility is to progress, it is important to distinguish between consumers using their power to express their disapproval of activities in respect of civil rights, the environment or indeed any other issue, and making companies behave more responsibly towards them as customers. In many areas, producer interest has swept the board. People have been misled into buying the wrong mortgages and pensions, overcharged by privatised utilities, sold poor quality, over-priced consumer goods and denied access to effective redress. Sheila McKechnie, Director, Consumers' Association, 2 Marylebone Road, London NW1 4DF.

Oxford: the city of lost courses

It has taken decades to see the worth of business schools

THE interesting question about Oxford's intention to build a £40 million business school on a greenfield site — which was, at least temporarily, thwarted yesterday — is not so much the involvement of Wafiq Said as why it has taken the university so long to get round to thinking about a world-class business school. The success of business schools in the United States, where 78,000 masters of business administration (MBAs) are turned out each year, must be one of the key factors behind the US managing to maintain its supremacy in business skills against keen competition from Japan and Germany. But while America's most prestigious university, Harvard, led from the front, Oxford became rather snooty about allowing its undergraduates to get too close to the dirty winds of industry and commerce when they could earn money so much more agreeably in the Civil Service, the professions or the City. Yet as a result of Harvard's farsightedness, about a quarter of all directors of companies in the Fortune Top 500 are Harvard alumni. Goodness knows what difference it would have made to the UK's business performance if Oxford had been producing MBAs on even a third of the Harvard scale during the past 30 years — but it must be considerable.

Fortunately, the rest of the country was not so ostrich-like. Business schools have grown rapidly during the past few decades. Britain now turns out 7,500 (mainly graduate) MBAs a year, a figure that is likely to rise to 10,000 by the end of the decade compared with only 2,000 as recently as 10 years ago. This is still small beer compared with the US but a big advance on previous periods. It is estimated that 15 per cent of all people in higher education are now doing business studies or related disciplines. So high is the demand to do these courses — not least because it greatly improves a student's job prospects — that only 50 per cent of applicants are accepted for places, compared with around 80 per cent for those studying engineering.

It is easy to be dismissive about a lot of business-school jargon — like continuous re-engineering, just-in-time delivery and the pursuit of excellence — yet from such clichés have come substantial improvements in efficiency, particularly in the US. It is impossible to quantify the effect that proliferating business schools — there are now 110 of them in the UK — have had on the size of gross domestic product, except to say that you have to be pretty cynical not to believe that GDP is significantly higher than it would otherwise have been. There are signs of resurgence in key UK industries like steel, telecommunications, bio-technology, air transport and even banking, which a new generation of professional managers ought to improve on. But there is a long way to go before the British manage to cast off the post-industrial culture that still permeates so much of our culture. Oxford has a lot of catching up to do.

Freeing judges from politics

First, they should be appointed by an independent body

HOW independent are our judges? It is not just the fundamental attacks of Michael Howard (taking away their sentencing discretion) or Sir Ivan Lawrence, the home affairs select committee chairman (suggesting their powers of judicial review could be restricted if they do not exercise self-restraint). There is a more subtle way in which the executive could undermine judicial independence outlined by the new Lord Chief Justice, Lord Bingham, in a lecture last night: denying promotion to any judge whose decisions were thought to be politically unfavourable. Some commentators believe the hope of promotion, or fear of non-promotion, has already affected judicial decision-making. Lord Bingham concedes that the expansion of the higher judiciary gives the executive more scope, but denies this is happening: "I would regard such conduct as a flagrant violation of judicial duty." His denial, how-

ever, was expressed as a "firm belief (coupled, if need be, with the fervent hope) that considerations of this kind simply do not intrude into a judge's process of decision-making."

There is one change, which would guarantee greater judicial independence, that Lord Bingham could embrace: an independent judicial commission responsible for appointments, promotions and complaints. Lord Bingham has already signalled his readiness to accept research on juries, the incorporation of the European Convention on Human Rights into British law, and the abolition of the mandatory life sentence, but he balks at an independent commission. Yet there could be no better way of reducing the influence of the executive. The current procedure under which the Lord Chancellor is responsible for the appointment of 2,000 judges (from part-time tribunal members to Law Lords) is wrong and absurd.

Off the ball

IDO not understand when violence is acceptable or unacceptable to the footballing fraternity. When Eric Cantona kicks a fan at a televised football match, he is universally condemned and suspended from playing. When Paul Gascoigne beats up his wife in a hotel room, he is selected to represent his country as a hero and we have Glen Hoddie waffling on about forgiveness. Jackie Perry, Killygarrie, Ruskin Road, E Sussex BN2.

HARDLY think the word "landslides" accurately describes the results of the ballot of Labour Party members on the manifesto (November 6). If, after constant pestering (in my case, three communication calls), 150,000 members still decide not to take part in this costly PR exercise, it shows that the leadership seriously misjudges the intelligence of its members. Jackie Perry, 87 Fairfax Road, Teddington, Middx TW11 9DA.

IS there to be no sort of protest against the decision not to allow the Garchas' wives and children to accompany them to this country when they finally leave Hong Kong (November 2)? It seems a very shabby way to treat these brave men to whom we owed much in the past. Jeanne Pearce, 28 Melrose Road, London SW19 3FG.

ARNOLD Kemp makes the Audacious assertion (Media, November 4) that since the Barclays brothers acquired the European... they have slowly turned it Euro-sceptic. We are champions of the single-market ideal; we believe in a Europe that is relevant to its citizens and businesses; we are Euro-realist, not Euro-sceptic. Charles A. Garande, Editor-in-Chief, The European, 200 Gray's Inn Road, London WC1X 8NE.



The banks that like to say 'no'

SOME months ago, my mother-in-law was nudged and her bag stolen (The hole in the wall gang, November 6). With it went her bank cards, but this was not a worry because the mugger did not have her PIN number. It still resided in its original envelope at home, unopened. Despite this, £100 was withdrawn within an hour. Impossible, said her Big Five bank, she must have had a record of her PIN in her bag. Even after showing them the unopened envelope, the customer service people insisted the withdrawal was impossible. They were, of course, following the line ped-

dled by all banks on phantom withdrawals — they just cannot happen. Since then, we have had a gang convicted for an ATM scam and now the hole in the wall gang. But, if the ATM system is inviolable, how could these prosecutions be brought? And since they have, what happens to the scam artists of the impossible? For saying that one's mother is a beautiful person is to let the side down. I am letting the side down. Our mother was cruel to us. She enjoyed it. Name and address supplied.

MY mother dished out savage emotional torture to my two sisters and me all our lives. She spent the last eight months of her life in a home, still capable of whispering: "This is all your fault." This was just to add to our guilt for having been born. I salute Jon Snow for speaking out. It is not acceptable to have other than massive love for one's mother. It is acceptable not to love one's father. For saying that one's mother is the side down. I am letting the side down. Our mother was cruel to us. She enjoyed it. Name and address supplied.

Still angry after all these years

JON SNOW is to be congratulated for exposing his pain, not condemned for betrayal (Mum's no longer the word, sadly, November 2). My own mother was more or less entirely unresponsive to me, though occasionally she did register physical hostility. Fortunately, she left me at five in the care of people who did show me affection but, of course, the damage was done. As an adult, I have never been able to sustain meaningful relationships and have suffered recurrent depression and, typically, have sought achievement in a career. I have tried to understand my mother's cold indifference but cannot forgive her. I do not know whether she is alive or dead and, to be honest, do not care much. In the current debate on family values it might be

Baseless slur

YOUR report (Pakistan army targets corruption, November 2) is absolutely wrong. The Pakistan army, a professional and efficient fighting force, is not involved in politics. The Inter-Services Public Relations Directorate (ISPR) has issued a press release debunking your reporter's attempt to sensationalise. It states: "A spokesman has contradicted the report that the Pakistan army has drawn up a list of politicians, including Benazir Bhutto and senior officials in the government, whom they want to be investigated for corruption. The spokesman described the report as totally baseless, concocted and mischievous". Samina Parvez, Press Attaché, High Commission for Pakistan, 36 Lovelace Street, London SW1X 9JN.

TV toppers

DURING the BBC's celebration of 60 years of television (Viewers spurn TV's golden age, November 4) there was not one mention of the directors of these outstanding programmes, let alone the writers or producers. These programmes required a guiding vision, inspired by imagination, passion and craftsmanship. Unless these talents are recognised, future programmes may well consign the stars to wandering in empty spaces with nothing to say. John Glenister, (Six Wives of Henry VIII.) Piers Haggard, (Cromwell.) Christopher Morahan, (Talking to a Stranger.) Herbert Wise, (I, Claudius.) Directors Guild of Great Britain, 15-19 Great Titchfield Street, London W1P 7FB.

A Country Diary

MIDDLESEX: It felt as eerie as walking over one's grave. Out amongst the breakers' yards and ragged paddocks north-west of Heathrow, close to where I'd worked in the early seventies was this patch of tussock grassland, and in front of it an official notice-board with my name on it, like a squire's. Someone had clipped to me about "Mabey's meadow" years ago, and I'd assumed they were talking the mickey, given that West Drayton was where I'd slumming. Then, a couple of weeks ago, came a letter from the Environment Agency, enquiring whether "this place of fact" Feeling flattered but oddly posthumous, I sped to the map reference I'd been given, and there, barely changed, was one of the enquiringly scruffy corners where I'd spent my Pinguin Books lunch-breaks. There were the scraps of medieval hedges caught between the mobile-home parks, the totters' horses and migrant waders, and a surreal water-scape where the flood-plain of the River Colne is riddled like

a sponge with a fantastic labyrinth of abandoned mill leats, canals, ruts, gravel pits and Victorian aqueducts. I'd drifted through this unofficial countryside, watching sandpipers bobbing on floating car tyres, and finding exotic urban weeds, like thornapple, growing cheek by jowl with species (adder's tongue, small teal) recorded in this very spot centuries before. It was the democratic jostling of old with new, immigrant with native — and their resilience in these inhospitable spots — that heartened me so, and still does. "Mabey's meadow" (do lifted spirits really merit such an honour?) is to be hunted to give its ancestral species a chance. But I hope the newcomers will be respected, too, since what makes these urban-fringe habitats unique is their quality of being ecological mongrels. And, like any proud foster-parent, I will report further on this particular pup's progress. RICHARD MABEY

Richard Mabey's Flora Britannica (Sinclair-Stevenson, £20) is in all good bookstores

سكنا من الاصل

Diary

Dan Atkinson

NOISES of a rotational nature may be detected beneath the Shropshire sod as John Osborne, RIP, learns that his old showcase, the Royal Court Theatre, has landed a rumoured £200,000 from a radical drama's unlikeliest sugar-daddy: Rupert Murdoch. Or may he not; Osborne may have seen in the once-liberal tycoon a wealthier version of himself, and would certainly have considered the money better spent on the Royal Court than on these strange black TV decoder boxes Mr Murdoch is said to be involved with. Osborne did have one tilt at the gutter press (The World of Paul Slicker, in 1959) but it was so bad that outraged punters chased him down the street. Half the money is on the way from News International, the other half believed to be coming from Sky TV, in all a huge lift for the Royal Court's drive to raise the "matching funds" needed to release millions in National Lottery cash. A few more Murdochian gestures, and the chaps in Sloane Square will be able to watch it come down.

NOT watching anything come down is the current preoccupation of Lord Houghton, Labour peer, polymathic writer and lover of old churches. Alarmed by a speech given by top sea-dog Admiral Sir Peter Abbott to the Royal United Services Institution on October 17, he raised it with defence minister Earl Howe last week. "What meaning," he asked, "is to be attached to the following phrases: 'pre-emptive deterrence', 'retribution', 'potential target nations' and 'above all (continuing) to encourage and support the USA's efforts to police the world'". Was all this Government policy? Er, no, according to Earl Howe, Sir Peter had been debating issues "already in the public domain". Oo-er.

ELSEWHERE in the House of Peers, Lord Bruce of Donnington is today marking the 50th anniversary of the Royal assent to the National Health Service Act with a few more Murdochian gestures, that relates to the declining state of British boyhood. Instead, it has been left to Ms Morris, in her pledge, but still worthwhile consultation paper, Boys Will Be Boys? Closing The Gender Gap, to collate some of the more alarming statistics, and propose some

ELUSIVE didn't come a lot slusher than the Poulson affair of the 1970s. Its backwash swept away Home Secretary Reginald Maudling, who was replaced by the Leader of the House, Robert Carr. By chance, Carr's PPS was one Nicholas Scott, who, as the crisis broke, was battling for a Lords and Commons XI against the MCC. In urgent telephone talks, he explained the Parliamentarians had an excellent chance of winning. In a collection of politicians' cricketering memories, published tomorrow (Electing To Bat, Queen Anne Press, £12.99), the MP recalls Carr's response: "Beat the MCC and then get back here as soon as possible." After tea, Sir Nick said, "I flung my bat (and) notched up 88 not out." A performance to be remembered when Kensington and Chelsea Tories meet to decide the demon batsman's fate.

IT was good to see Welsh Under-Secretary Gwilym Haden Jones back at the Dispatch Box this week having survived a nightmare, that of strolling around a trendy open-plan store only to wander unknowingly beyond its boundaries and be nicked for shoplifting. That his particular walking Kong airport only adds to the horror. Anyway, he was promptly acquitted, but a sideways career shift is surely on the cards for Vaughan Watkins, the hapless private secretary whose folly in letting a minister out of his sight was compounded horribly by said minister's arrest. A tough mistake to bounce back from.

THESE A THOSE YOUR TIME TAKES WILL CARD FROM VICTOR

The boys with the wrong stuff

Commentary Catherine Bennett

ESTELLE MORRIS, a shadow education minister, has informed the Commons that the inadequacies of boys can no longer be ignored. The Government have failed to realise that there is a crisis in the under-achievement of boys," she said last week. "There is a deafening silence from them on what is becoming a learning and social crisis."

Ms Morris is right about this lack of care, but it's not only the government that's to blame. Students of that stimulating and popular document, New Labour, New Life For Britain, will have looked in vain for any pledge or commitment, any vision or covenant, that relates to the declining state of British boyhood. Instead, it has been left to Ms Morris, in her pledge, but still worthwhile consultation paper, Boys Will Be Boys? Closing The Gender Gap, to collate some of the more alarming statistics, and propose some

modest remedies. Many of her figures will be dreadfully familiar from various recent reports on crime, unemployment and education; taken together, they can still surprise.

Here goes: at primary school, seven-year-old girls are better at every subject than boys. At GCSE, they continue to out-perform boys, particularly in English. In 1996, 60.6 per cent of girls passed GCSE English language; only 43.8 per cent of boys.

At primary school, boys make up 92 per cent of all those expelled; at secondary school they again take the lion's share, with 80 per cent. Aged 16, 18.5 per cent of boys are in no education or training, compared with 12 per cent of girls; 67.7 per cent of boys continue in education, compared with 73.8 per cent of girls.

chases of growing social division.

Even those commentators who like to dismiss all such warnings as moral panic (supporting their argument with a procession of heritage scamps, from 19th century obligos, to footpads and apprentices), must be hard put to explain away the increases in male crime and truancy. "I think it is worse," Morris agrees. "I think there is more fragmentation, and there is more law-breaking. The truancy figures have gone up."

Why are boys behaving like this? Don't girls go to the same schools as boys, watch the same television, take home the same homework? Yet it is schoolboys, not girls, who scorn homework, shun qualifications. "What we wanted to do was start the debate, rather than pretend we had all the answers," says Morris. But she ventures a suggestion: boys cannot adapt to economic uncertainty and fragmented families.

from, there might be role models enough. But today's boys apparently require something closer to home: more male teachers, "mentor-ing" schemes using local businessmen. Isn't what's being proposed, I asked Morris, a set of substitute fathers?

"I'm not going to make any comment on that," she said hastily, clearly sensing trouble: the sort of trouble that follows any suggestion that some kinds of families might be more boy-friendly than others. Robert Ryle, the mythic enthusiast and author of Iron John, is less squeamish. In his latest book, The Sibling Society, he persists in his lamentations concerning absent fathers. We now live, he argues, without proper, inter-generational or "vertical" influences, in a society that only cherishes new-minded, horizontal values. Without proper role models, children learn from their peers. In consequence, they are not merely

crude and ignorant, but irredeemably immature. This, Ryle thinks, is not a good thing. "There is little in the sibling society to prevent a slide into primitivism, and into those regressions that fascism is so fond of." But why should boys be sliding towards primitivism so much faster than girls? Girls emerge from similarly undignified circumstances, and face the same prospects if they leave school without qualifications. Far from sink-

ing into apathy or villainy, girls from socially and economically deprived communities are even more likely to out-perform equivalent boys.

It is tempting, at this point, to conclude that boys are simply too vain and too proud to do the lowly, part-time jobs that women will take in their attempts to be self-supporting. Street culture does not celebrate the virtues of those who wear cheap suits and work long hours, who submit to time-keeping and orders from acknowledged superiors. The only way male teachers could now make acceptable role models for many boys would be to acquire a Range Rover, several pounds of gold jewellery and a wife-beating habit.

But perhaps this is unfair to boys. In the absence of any other compelling reasons for their difficulties, some have suggested that boys are simply offended. For it's true that some feminists have moved on from marvelling at sexual inequality, to using the word "boy" as a straight insult, to suggesting that the whole sex is redundant. Many single mothers appear to agree; cheerfully admitting that life is easier without some feckless, jobless chump littering the living room.

It's possible, of course, that the chump might have been less feckless before feminism. If men's labour and loyalty was only to be had in exchange for automatic precedence over women and an obedient family, then the current failure of a large percentage of boys to make the grade in their education could be one of the costs of sexual equality. Then again, the conversion of irresponsible youths from instant gratification to altruism and deferment, is one of the great achievements of any civilisation. It's a delicate operation, easily impaired. Maybe we've just lost the knack.

Cash for votes? No thanks



Ian Aitken

ONE has to laugh when a bankrupt peer who was once a Conservative fund-raiser reaches the conclusion that the only way to keep our democracy squeaky clean is to ban political donations from dodgy businessmen and invite the long-suffering taxpayer to settle the bills instead. When the name of the peer is that of a famously piratical newspaper proprietor, the atmosphere of black comedy is complete.

Yet that is what the third Baron Beaverbrook, grandson of the former owner of the Daily Express, told BBC2's On The Record programme last Sunday. It is his considered view after a stint as Conservative Party treasurer — which came to an abrupt end when he himself went bust. I hasten to add that dodgy donations to Tory funds from Beaverbrook's felicitous phrase) "people who subsequently came unstuck" were not his only target. He also wants to end the Labour Party's dependence on the trades unions, so as to enable all political parties to "get on with politics without being tainted by the possibility of sectional interests being unduly influential in policy making". There is surely something touching about an ex-millionaire who thinks sectional interests have no place in politics.

Moreover, Beaverbrook's outburst was scarcely original. Labour is already committed to introducing state funding for political parties, as are many decent leftish folk outside professional politics. But what is remarkable about it is that a former Thatcherite peer should suddenly adopt the heresy of state intervention in party politics. If someone like Lord Beaverbrook has joined the "something-must-be-done" school of anti-state reform then there must be a head of steam behind it once again.

I say "again" because we have been here before — 21 years ago, to be exact, when the then Labour government appointed a committee under Lord Houghton to examine the case for state funding. After a year of earnest deliberation, the committee surprised no one by delivering a majority report favouring the introduction of a state subsidy based on pennies for each vote secured by each party.

I was a member of that committee, and did not endeavor myself to the govern-

ment by helping to draft a minority report giving a comprehensive thumbs down to the whole idea. Alas for Lord Houghton and his scheme, it was the minority report which caught the populist mood of the headline-writers, and the whole idea vanished into limbo.

Reading both documents after 20 years, I am surprised how much I agree with myself. Try, for instance, the following: present proposals from our minority report: "Cynicism about politics, and politicians is already at an alarmingly high level, partly because of the inability of successive governments to solve Britain's economic problems, but partly because of a lengthening series of financial scandals involving political personalities." The sight of MPs voting substantial sums of money to their own parties could only deepen this cynicism still further.

"There is, however, one important difference between then and now: in 1975 Labour believed itself to be bankrupt, and saw the taxpayer as its only realistic hope of salvation for lack of cash, but that the alternative sources of party finance are so tainted that the public will turn away in disgust, just as they seem to be doing in America."

"There are two weaknesses in this argument, however. The first is that America already has state aid, without reducing public cynicism perceptibly. The second is that it is patently absurd to imagine that public confidence in politicians can be restored by allowing them to vote themselves state funds in return for a promise not to take any more money from people like Asil Nadir. The perpetual rover MPs' pay points to an opposite conclusion."

HOWEVER, there are two perfectly simple measures which could have an immediate impact on public confidence. The first is the imposition of a realistic ceiling on how much a political party may spend nationally — something which already applies to candidates in their constituencies. The second is that the sources of all significant donations to political parties be publicly identified — a move which would make fund-raisers much more careful about whom they took money from.

As it happens, both these proposals are already Labour Party policy. If Tony Blair is a wise premier he will give each of them a whirl before he moves on to introduce state aid. As the opinion polls continue to confirm, that source of money is seen by the public as the most tainted of all.



Tunes of glory

Philip Gould, who followed both Clinton election campaigns, has come away with lessons for Labour's leaders — and spin-doctors

IT IS four years exactly since I wrote in the Guardian on the last Clinton campaign. A lot has changed in that time, but one thing has not: Bill Clinton, as four years ago, was yesterday looking forward to serving the United States as its elected President.

warmth, and a sense that he was on their side. Words like active, young, charismatic, visionary were used about the President. These words are not often used to describe John Major.

THE article I wrote four years ago was enthusiastic. I had arrived before and demoralised from Labour's election campaign. I felt then, as I do now, a sense of responsibility for the defeat. Going to that campaign was like moving from the shadows into the light. Defeat was not something to be ashamed of, but something to learn from. The warmth, enthusiasm, and decency of that campaign touched anybody who saw it.

article justified by the past four years? In one sense certainly. James Carville said in his closing speech to the "war-room": "We changed the way people do campaigning." And he was right. Until Little Rock in 1992 the left simply had no answer to the use of fear as a campaigning tool. The Clinton campaign changed that. Socialist and social parties in Holland, Greece, Norway, Sweden, the ANC in South Africa — all of them learned from Clinton.

Clinton's success in government is of course more ambivalent. My basic view of this was put in 1992: "The choice is not between Clinton and the left. It is between Clinton and the hard right." That is true, and Clinton has a long list of achievements improving the lives of ordinary working people in small but important ways. For many he created the "inch in which we live". That alone justifies him, makes him a successful progressive President. But he achieved less than he could have done, less than many of us hoped. I believe the most telling reason for this is that his campaign did not have at its heart a fully agreed project for government. Before the election it was possible to detect different ideological

Oxfam Tragedy in Eastern Zaire

It's here: the situation we've been warning the world about for two years has exploded. Already, one million people are fleeing the fighting. It doesn't matter whether they are Hutu, Tutsi, Zairean, or Rwandan. Starvation, thirst and disease will kill them, even if the bullets don't. With a million souls seeking safety and shelter, Oxfam urgently needs money to respond to their desperate plight. Your help will save lives.

Give a donation today. Yes, I want to help Oxfam's work in Eastern Zaire. Here is my donation of: £25 £50 £100 £250 £. Mr, Mrs, Miss, Ms Address Postcode Please send to Oxfam, Room BA97, FREEPOST, Oxford OX2 7BR. credit card donations 01865 312231 Oxfam United Kingdom and Ireland is a member of Oxfam International. Registered Charity No. 202948 UNITED KINGDOM & IRELAND

Artur Axmann



Boys of the Third Reich... Reichsjugendführer Axmann inspects the Hitler Youth in 1937

In the bunker with Hitler

ARTUR Axmann, who has died aged 83, served as the last leader of the Hitler Youth and claimed to have witnessed the joint suicide of Hitler and Eva Braun in the Berlin bunker...



Axmann... 'idealistic'

access to Hitler. On April 30, 1945, as Soviet troops were closing in on Berlin, he met the Führer in the Chancellery garden...

calmly and without pathos that she would stay and die with Hitler," he said. Axmann escaped to southern Germany before being captured by the American authorities in December 1945...

Denis Staunton
Artur Axmann, Nazi youth leader, born February 18, 1913; died October 24, 1986

Richard Clarkson

Engineer for the jet age

RICHARD Clarkson, who has died aged 84, was one of that group of outstanding aeronautical engineers which, from the 1930s into the 1960s, was behind the success of the de Havilland Aircraft Company...



Clarkson... forthright

Clarkson's disciples at Hatfield. "They were all brilliant," he said of them. Clarkson, who was awarded the OBE in 1960, was a Fellow of the Royal Aeronautical Society and received its Gold Medal in 1968...

Clarkson was very particular about standards of English in the writing of technical reports. His staff were given written instructions about phrases and words which he regarded as abominations...

John Gorman

Commitment to comradeship

JOHN Gorman, who has died aged 66, was a silk-screen printer whose skills helped to build his company, G & B Arts, into one of the world's finest. He was also a historian of the labour movement...

event which left its nine remaining members without leadership. My father had been a member of that union, and the banner depicted the union's aims in both English and Yiddish...



Gorman (left) with ex-TUC general secretary Vic Feather

In 1983 he was appointed by the GLC as a governor of the Museum of London. He also served on the Advisory Board of the National Museum of Labour History...

and development of posters in the many trade union campaigns. The reverse side of his personal visiting card showed a drawing of two hands firmly clasped in a handshake...

Trisha Ingrams

Tenacious in her eloquence

TRISHA INGRAMS, who has died of cancer aged 50, was one of the generation of journalists who embraced the advent of local broadcasting (Capital Radio and LBC) and regional television (Thames, Anglia and Sky) with consummate skill...

could have been designed by Central Casting. She somehow invested the six and 10 o'clock news slots with prim authority. Yet her capacity for following a story never waned...

Birthdays

Dr James Barber, political scientist, 83; Frank Carson, comedian, 70; Colin Christophers, trades unionist, 64; Ray Coniff, songwriter, 80; Sally Field, film actress, 50; Nigel Havers, actor, 47; Mark McCormack, sports promoter, 66; David Mervin, missionary to Malaysia, 56; Mike Nichols, film and theatre director, 65; Susie Orbach, psychotherapist and feminist, 50; Amanda Prohman, ceramic artist, 42; PJ Proby, rock singer, 58; Gen Sir David Ramsbotham, chief inspector of prisons, 62; Prof Sir Martin Roth, psychiatrist, 75; Arturo Sandoval, jazz trumpeter, composer, 47; Sir Oliver Scott, radiobiologist, 74; Graeme Wood, cricketer, 40.

Death Notices

PHY Precedently on 31st October 1986 in hospital in East Sussex, after a long illness, beloved wife of the late Mr. Peter Phillips, aged 81 years, peacefully, remembered by the late Mrs. Phillips, his children David, Simon, Nicholas and Laura and his grandchildren. In Memoriam No Flowers please Contact 0173 701514

Jackdaw



ABOUT 15 per cent of people write lies in the CVs they send in for job applications says John Graham, of Hong Kong-based Trading Consultants, a commercial investigations firm...

White lies

one who told the same lies that you and your colleagues did. This reminds me of the cockbroker in court who was asked whether he wanted to be tried by a judge or by a jury of your peers, that is, people just like you.

Heavy crime

a) PORTSMOUTH, R.I. Police charged Gregory Rosa, 25, with a string of vending machine robberies in January when he (1) died from police inexplicably when they spotted him loitering around a vending machine and (2) later tried to post his \$400 bail in court.

Stress busters

1. Jam 39 tiny marshmallows up your nose and try to sneeze them out. 2. Use your Mastercard to pay your Visa.

Cracked craze

MY ZORB was parked in madness on a ledge above. I haven't been a bad person - not consistently anyway - yet the retribution that was about to befall me looked painful, foolish and difficult for my parents to explain to the man from the Pru.

Advertisement for 'ACTIVE' magazine featuring a man in a suit and various headlines like 'SEX', 'STRESS', 'MONEY'.

through the entry hole like an acrobat through a flaming hoop. It took all my self-restraint and abdominal conditioning to keep from decorating the inside with Steinlager haze.

second go, Akers gave me a team talk. He told me I had gone down the first time in the classic novice manner, doing what is known in Zorb-ing nomenclature as a "washing machine".

Large vertical advertisement on the right edge of the page, including 'Archival A.T. Fund m.n.a.s.', 'Surgi', 'Mystery in £1bn market', and 'Emily Sheffield'.

Handwritten Arabic text at the bottom center of the page.

Arch-rival AT&T tries to halt the Big Deal . . .

. . . as union-busting fears emerge, page 12

Fund manager's bloated balance sheet, page 12

Financial Editor: Alex Brummer
Telephone: 0171-239-9610
Fax: 0171-833-4456

Finance Guardian

Surging sterling hits shares

Mark Milner and Larry Elliott

STRONG growth, rising oil prices and last week's anti-inflationary interest rate rise sent the pound soaring again on the foreign exchanges yesterday. Sterling's latest surge took it to its best level for almost three years, within touching distance of its level immediately after Black Wednesday when the pound left the exchange rate mechanism. At one stage the pound was changing hands at more than 2.50 marks, and \$1.65, pushing the trade-weighted index — which measures sterling's value against a basket of currencies — up to 81.6, though it eased back slightly before the close in London. It eventually closed on London at 2.4973 marks, its highest since June 1994, and at \$1.6468, its best since October 18, 1992 — exactly a month after Black Wednesday. Government securities were in demand, rising by around 21 on the back of the City's perception that Chancellor Kenneth Clarke was prepared to take a tough line on inflation, despite the imminent general election. Some analysts are already predicting another pre-

election increase in interest rates, despite the seven-point rise in sterling since the middle of the year. The stock market continued to languish following last week's rise in base rates from 5.75 to 6 per cent. The FTSE 100 share index was down seven points at 3921.1, having fallen 100 points in six trading days. One factor behind the pound's strength was a big buy order from Japan, underlying a City view that, for the time being, sterling is the foreign exchange market's favourite currency, yielding more than the yen and the mark and underpinned by the British economy's growth prospects. The pound's rise has started to alarm British exporters, who will find life even tougher in already competitive world markets. After the debacle of Black Wednesday, sterling fell by more than 15 per cent on its trade-weighted index before making a partial recovery in late 1993 and early 1994.



Senior industrialists said that if the pound stabilised at around 2.50 marks, and 91 on its trade weighted index, companies would be able to cope, but they stressed that they would be entering new territory if the rise continued. They fear that a generous Budget might force another rise in interest rates, which

in turn would force the pound still higher. Nigel Richardson, economist with City firm Yamaichi, said: "Sterling's rise is the result of a strong economy, low inflation, a Chancellor who has shown himself willing to raise rates, and a trade position that is under control. There is not a lot to worry about on the sterling front. A Labour government is well discounted by the City and is not seen as a threat." David Coleman, at CIBC Wood Gundy, said that the combination of factors supporting the bullish sentiment looked "suspiciously like a 'win' scenario for the pound", but he warned that the markets were not being consistent. On the one hand, the pound was going higher on the back of possible further interest rate increases, yet the short sterling futures contract had rallied, suggesting stable rates. Sterling's recent strength will feature heavily in the Bank of England's inflation report, due to be published later today. The authorities used to have a rule whereby a four percentage point movement in the exchange rate was the equivalent of a one percentage point change in base rates, but the Bank now insists that the formula cannot be seen as an iron law.

Retailing boost helps Britain's factory sector beat off some of its troubles

Richard Thomas Economics Correspondent

ABRISK retail trade has hauled Britain's manufacturing sector out of recession, prompting government officials to paint a rosy picture of factory prospects for the first time this year. Although business leaders warned that the strengthening pound could damage exports, the Office for National Statistics said buoyant domestic demand had pushed factory output up by 0.3 per cent in September after it fell the previous month. City analysts said the figures indicated the start of a fragile recovery for manufacturing firms. They pointed to a pick up in the three-monthly growth rates — seen as a more robust guide to trends — with production levels between July and September 0.7 per cent

up on the preceding three months, the first quarterly rise since 1995. ONS officials revised upwards their estimate for the trend in manufacturing to an annual growth rate of 0.5 per cent, after 10 months of predicting unchanged output. Mr Garrard said the figures showed that consumers were driving demand for factory products, with the manufacture of durable goods 1.3 per cent higher between July and September than in the previous quarter. There was a rise of 0.4 per cent in non-durables and 0.5 per cent in investment goods. The ONS said factories in all sectors were feeling the benefits of slightly faller order books, with engineering firms pushing up production by 1.3 per cent between July and September, and clothing companies cashing in on autumn new collections to boost output by 1.7 per cent. Stronger manufacturing activity combined with a rebound in oil and gas extraction — as summer maintenance programmes wound down — pushed up total industrial production by 0.3 per cent between the second and third quarters, the ONS said.

Notebook

City misreads the St Michael runes



Alex Brummer

SIR Richard Greenbury's complaint about the stock market's appalling treatment of the half-year figures from Marks & Spencer may do him no good in the City. But he is nonetheless correct in making it. The mark-down of M&S shares by 5 per cent — more than £700 million — after the company has produced a sales and profits performance one third better than the retail sector overall and is to invest in customer service is preposterous. It exposes the City analysts, their inept forecasting and short-termism to ridicule. For a company of M&S's size and maturity a profit increase of 11.6 per cent to £480 million in the first six months, with the best trading season still ahead of it, is more than an adequate return. The group's margins remain solid at 8.1 per cent, the weakest spot in M&S's international spread — North America — is finally showing signs of turning round and overseas sales are remarkably strong.

up at £33 million. It has taken a long time but now it is working: there are no instant results as Sainsbury and Tesco will soon learn.

Industry pounded

IN SOME quarters it might be considered unpatriotic to bemoan the strength of sterling, which is now luxuriating in territory not seen since June 1994. All kinds of creative reasons can be dreamed up for this; the strong relative performance of the UK economy vis-à-vis our European competitors the pound as a petrocurrency; a widening yield gap with Germany and others and flows of funds into the UK to pay for takeovers such as the Gebe offer for Lloyds Chemists. However, the only really convincing reason for the surge, certainly in the last week, is the Chancellor's surprise decision to raise base rates. It is increasingly clear that this was an error. A strong pound was always going to provide better inflation protection than a rise in short-term interest rates. This is a rule which has long been operated by the Bundesbank and has been evident in the US this year, with Fed chairman Alan Greenspan happy to rest his laurels on a strong dollar even though the external sector of the economy is relatively unimportant in the US. The real danger of an overshoot in sterling, encouraged by the prospects of further interest rate rises, is that it could deal damage to the real economy. It is easy to forget that the excellent confluence of economic circumstances is a result of competitive currency. If industry cannot see that, then investment plans will be postponed and, ironically, the bubble of domestic economy in house prices will be encouraged at the expense of manufacturing — the converse of what Kenneth Clarke intended. The Bank of England should use today's inflation report briefing to call off the interest rate hawks.

Flying high

BRITISH Airways profits of £470 million for the first six months (details page 12) are impressive enough, although it is possible that the group is near the top of the airline cycle. BA signals one danger when it points to a £51 million increase in fuel costs. With crude oil prices running at levels 25 per cent above where they were this time last year that is a problem for the whole industry and, if sustained, the global economic expansion too. The other interesting point about the BA statement is the optimism from chief executive Bob Ayling over the alliance with American Airlines. This was always going to be difficult for Washington to deliver before an election but now the hope is that the regulatory hurdles can be crossed and an open skies deal between the US and UK done. That should underpin BA's longer-term prospects beyond the current cycle.



Majestic Wine, the warehouse-style wine seller, is valued at £20.4 million by its flotation on the Alternative Investment Market with a placing price of 160p a share. Dealings will start next week. John Apthorp, a former Guardian Young Businessman of the year, who founded Bejam, will enjoy a second fortune of around £10 million. PHOTOGRAPH: DAVID SALTORS

Mystery firm in £1bn bet on market crash

Paul Murphy

FRENZIED speculation swept the stock market last night as it emerged that an unnamed institutional investor — thought to be one of the UK's large life assurance companies — has taken a £1 billion bet on a market crash. In a highly-complex options transaction on the London International Financial Futures Exchange — the details of which did not emerge until after the Stock Exchange had closed — the institution wagered that the FTSE-100 index of top companies is likely to fall by more than 15 per cent between now and June, 1997. At the same time, the investor has taken a view that the main share index will not rise by more than 10 per cent from its current level of 3921. The options deal is believed to be the biggest ever witnessed on the Liffe derivatives market. It follows last month's news that EDFM, Britain's second largest manager of pensions largest market, has built-up a money, has a mountain of invested cash in anticipation of a sharp fall in share prices. The mystery over yesterday's deal deepened when it emerged that the transaction had been put together in total secrecy by a small Liffe "floor

trader" called Hill Independent Traders. The transaction involved the institution selling 35,000 "call" options contracts (giving the unknown buyer the right to buy the Footsie index at 4300) and then simultaneously buying 35,000 June 3900 "put" option contracts (buying the institution the right to sell the Footsie index at the 3900 level). This is known as a "cylinder" and did not involve the institution parting with any cash immediately, although the deal carries a nominal value of £1.1 billion. If the FTSE 100 does fall below 3300, the institution stands to book a profit of £350,000 for every point the index falls below that level. A stock market correction on a par with the October 1987 crash, for example, would yield a profit in excess of \$100 million. Conversely, if the main share index — which hit a high of 4073 recently — resumes its progress over the next eight months, the institution faces a loss of £350,000 for every point over the 3900 level. Dealers speculated that a life assurance company has carried out a huge "solvency trade" — a market mechanism through which the life company has locked in the value of its existing share holdings.

Sparks fly as Marks flays 'naive' City

Tony May

GROWING consumer confidence has kept Marks & Spencer on course for a record profit of more than £1 billion for the current year and triggered the recruitment of 2,000 extra staff. Britain's largest retailer yesterday announced it had increased profit by 11 per cent to £480.1 million in the first half of the year but its shares fell 6 per cent to 462p — wiping £700 million off its stock market value — as the City calculated that the cost of employing the extra staff would offset £20 million-£30 million off full-year profits.

Analysts said that despite higher costs, the full year profit would reach about £1.12 billion. Chairman Sir Richard Greenbury said he could not understand why the share price fell. Referring to some analysts' forecasts he said: "Presumably some people are disappointed that we didn't make a 21 per cent increase. Anyone who thought that we could is a little naive." Sir Richard agreed that the recruitment would increase costs, but said it was essential for customer service. "We offer quality. Sure, we could make more money by slashing costs, but I am not interested in the short term. I am interested in where we are go-

ing to be four years from now." Sir Richard said that some of the extra staff had already been taken on, with the recruitment process to be completed by the end of March. A spokeswoman said: "We believe we are giving customers a good service, but we think we need more staff in the busiest and most successful stores." The employment boost comes on top of the 1,500 jobs created last year. The group, which also has stores in North America, continental Europe and Asia, said UK sales were up 8.4 per cent to £221 million. The group had increased its market share in

clothing, and had maintained its position in foods. Sir Richard said that overseas sales, including franchises, rose 12 per cent to £291 million. Initial sales at the group's first store in Germany, which opened in October, were well above expectations. Home furnishings benefited from the upturn in the UK housing market, with sales up 27 per cent, while food sales rose 6.6 per cent to £1.23 billion. In Europe, profits rose 42 per cent to £11 million. M&S is to double its presence in Spain in the next two years and further strengthen its position in France.

Germans revive their £650m bid for Lloyds Chemists

Sam King

THE 10-month battle for Lloyds Chemists entered its final round yesterday when Gebe, Europe's biggest drugs wholesaler, revived its £650.6 million cash bid for Britain's second biggest pharmaceutical chain. Stuttgart-based Gebe, which had until Friday to re-bid for Lloyds, said it expected to succeed in the face of Unichem's rival £657 million cash-and-shares bid. Unichem and Gebe bid against each other for Lloyds earlier this year, but the bids lapsed during a lengthy investigation by competition authorities.

after which the pair were both allowed to re-bid. Re-launching the Gebe bid, chairman Dieter Kammerer made a fierce assault on Unichem, insisting that Lloyds shareholders would snub the British group in favour of the cash his company was offering. Mr Kammerer said Lloyds shareholders accepting Unichem's offer faced a considerable risk, as its shares had underperformed the market over the past two years, and that it would not be able to achieve the same synergies as Gebe. He said: "Compare our cash with their paper — investors are well advised to take a good look at Unichem's shares, as they have

eroded shareholder value." Unichem hit back, insisting that it would be able to increase its offer if necessary. Jeffrey Harris, Unichem's chief executive, said that the improvement of sterling against the mark since the two bids were referred to the Monopolies Commission had made things much harder for Gebe. He said that Gebe had failed to restructure AAB — the wholesaling business it acquired in 1994 — as completely as it wanted to, had a significantly less efficient wholesale network and a smaller retail network. Mr Harris said: "If you have a look at sterling against the mark, they've

got a problem. By contrast, we've got plenty of banking facilities if we wanted to raise our bid, although I don't think the institutions that can deliver Lloyds to us want cash." Analysts said that at this stage in the bid contest, either side stood a good chance of winning, although Gebe had the upper hand with its bid in cash only. Lloyds shares fell 5p to 511½p on news of the Gebe bid while Unichem gained 24p to 254p. It has emerged in the group's annual report that Allen Lloyd, chairman and founder of Lloyds Chemists, saw his salary and benefits package fall from £248,000 to £225,000.

SIB sits on £2m compensation

Richard Miles

HUNDREDS of elderly investors with defunct retirement adviser Knight Williams are being denied speedy compensation because the Securities and Investments Board is sitting on £2 million of the firm's cash. Arthur Andersen, the liquidator for Knight Williams, yesterday told a meeting of about 100 investors and creditors that it would be unable to settle their claims until SIB decided to release the money. The £2 million was set aside for investors under an earlier compensation scheme established by SIB. This collapsed after Knight Williams & Company (KWAC) went into voluntary liquidation in August

last year. Martin Fishman of Arthur Andersen said he was investigating "certain payments made to directors and staff prior to the liquidation". A report on the KWAC directors' conduct had been submitted to the Department of Trade and Industry. Mr Fishman said he failed "to follow SIB's arguments" for withholding the cash. He hoped to avoid legal proceedings against SIB to obtain the funds. SIB is believed to be sitting on the £2 million to protect it from the claims of other creditors, such as Knight Williams employees and directors, who as secured creditors take precedence over investors. The SIB yesterday declined to say when the funds were likely to become available.

TOURIST RATES — BANK SELLS

Australia 2.03	France 8.15	Italy 2.454	Singapore 2.28
Austria 17.02	Germany 2.419	Malta 0.57	Spain 166.18
Belgium 48.78	Greece 384.70	Netherlands 2.71	Sweden 203.6
Canada 2.15	Hong Kong 12.43	New Zealand 2.26	Switzerland 2.12
Cyprus 0.725	India 58.75	Norway 10.21	Turkey 168.490
Denmark 6.345	Ireland 0.939	Portugal 245.45	USA 1.6126
Finland 7.41	Israel 5.34	Saudi Arabia 6.15	

Supplied by Midland Bank (excluding Indian rupee and Israeli shekel).



FirstBus is buying 914 new buses for £280 million. Chief executive Motr Lockhead, shown right with chairman Trevor Smallwood, said most of the single-deck mid-size buses would have "kneeling" suspension to help access PHOTOGRAPH: SEAN SMITH

Whitbread backs minimum wage calls

Sam King

PETER Jarvis, chief executive of Whitbread, Britain's biggest non-burger restaurant business, yesterday backed calls for a minimum wage, claiming the group would have "no problem" if it was introduced under a Labour government.

Mr Jarvis, who also announced the creation of some 1,000 new full-time jobs by Whitbread over the next six months, said the minimum wage was "not a bad principle" so long as it was introduced on a regional basis.

The leisure sector, in which Whitbread is one of the biggest players, has been one of the fiercest critics of the minimum wage. But Mr Jarvis said he did not find the prospect of a minimum wage "at all disturbing".

Mr Jarvis's remarks, which fly in the face of stated CBI policy, came as Whitbread announced a 14 per cent jump in half year pre-tax profits to £177.5 million.

Among individual divisions, star performer was Whitbread's restaurants and leisure division, which, helped by the acquisitions of Felican Group and David Lloyd Leisure, notched up a 56 per cent rise in profits.

At the same time, Whitbread's brewing and pub interests also showed significant improvements, which Mr Jarvis said was due to the growing feel-good factor in the country.

He went on: "Customers are feeling better, with tax decreases, rising house prices in most parts of the country, and the jobs situation less threatening. But they remain discerning, and we will not see a return to the profligate spending of the 1980s."

Meanwhile, Whitbread is shortly expected to announce the £50 million acquisition of the BrightReasons restaurant group, which will result in the disappearance of Pizzaland from Britain's high streets.

Whitbread shares closed down 4p at 736.5p.

AT&T prepares to submit formal complaint to federal regulator Americans attempt to halt BT's inroad

Financial staff

BRITISH Telecom's plan to forge the biggest corporate merger in the history of the City was under threat yesterday as an arch-rival AT&T prepared to lodge a formal complaint over the British company's \$12 billion takeover bid for MCI.

BT chairman Sir Iain Valentine was yesterday meeting with the key US regulatory body, the Federal Communications Commission, in an attempt to head off the intervention by AT&T, which has the most to lose from the proposed deal.

The battlelines were being drawn up as AT&T yesterday confirmed that it would file its objections as soon as the FCC's investigation gets underway.

If the deal is to go ahead, BT and MCI, the second largest US carrier, have to get the FCC to waive the restriction on foreign companies owning more than 25 per cent of a US telecom group.

Collision course for labour relations

Union-busting reputation a fear, say Seumas Milne and Nicholas Bannister

FOR all its company-loyalist cheer-leading of the BT-MCI merger this week, BT's main British union — the Communication Workers (CWU) — has reason to be nervous.

While up to 90 per cent of BT's 130,000 British employees are unionised and the company has already set up a cross-border European Works Council for employee consultation, MCI has a notorious reputation as a US union-buster.

rights to their workers. This is a long way from the set-up at BT which, despite some efforts to weaken union representation since privatisation in 1984, still bears the mark of its previous incarnation as a nationalised industry.

believe, should be: "does this company respect collective bargaining rights on a global basis or not?"

When the 600,000-strong Communication Workers of America (CWA), tried to organise a statutory ballot for union recognition in the late 1980s at MCI's Mid West regional calling centre, the company closed it overnight and sacked all 450 employees rather than face the prospect of legally-enforced union recognition.

The confrontation drew in Democratic congressmen such as Jesse Jackson and John Conyers and led to the establishment of a "Jobs with Justice" campaign for non-violent action against US employers who refuse basic employment and civil

THE BIG DEAL



been an upstart company seeking to join the big league. Small, flexible and strong on marketing, it has won over 20 per cent share of the US long-distance market, previously dominated by AT&T and expects to take on more staff as it expands with BT.

rowed, BT has shed 110,000 jobs since 1991 to keep profits buoyant, while MCI has tripled the number of its employees to 52,000 over the past decade.

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Cards

Manager needs to look to own balance sheet

Outlook

Patrick Donovan

IT IS richly ironic that the City's premier fund manager, which looks after investments equivalent to 4 per cent of the entire value of the London Stock Exchange, is making such a lacklustre job of managing its own money.

1125p still underlines how MAM has yet to impress the City that it has got to grips with its short-term strategy. The underlying problem, perhaps, is that MAM has become such a high-profile player (remember the swing role its stake in Forte played in determining the outcome of the Granada bid) that it needs to surprise for the share price to move forward.

MAM may have generated a 17-fold return for shareholders since shares were listed in 1987. But this huge cash balance hardly lives up to MAM's much-trumpeted determination to reap value for investors. As one disillusioned analyst calculates, MAM could have earned an extra £70 million over the past six months by investing just half the surplus cash in its own shares.

And the half time profit jump of 29 per cent to £81.8 million exactly matched analyst's expectations. As did the 4p jump in the dividend to 10p, reflecting the decision to also increase the size of the half and full-time payout.

More generally, MAM is still managing to carve out more market share in what is a cut-throat competitive market. It won more than £2 billion worth of new business over the six-month period to bring its total of funds under management to almost £96 billion. Most of the growth is coming from the UK pension business where it has won more than 40 mandates to run defined contribution schemes, offering fixed payouts at the end of the investment term.

But for all this its operating margin remains unchanged, offset by the huge investment needed in running costs and electronic gizmos. MAM still also do not come cheap. But even paying its top fund managers seven-figure salaries still doesn't explain why MAM needs all that spare cash.

Mercury Asset Management
Share price (p)
1200
1100
1000
900
800
700
600
500
400
300
200
100
0



Results in brief

Paris court clears way for BA takeover

A PARIS commercial court yesterday cleared the obstacles to a British Airways bid for the troubled French domestic airline, Air Liberté, which has debts of £300 million, by deciding not to wind down the company.

Robert Ayling, BA's chief executive, welcomed the court decision, which means that BA has about a month to negotiate with the crippled airline's creditors. The ruling is good news for BA, whose alliance with American Airlines is dogged by political indecision. From its base at Orly, Air Liberté last year carried 2.8 million passengers, about 12 per cent of the French domestic market. A takeover would give BA's French subsidiary, AT 22, 22 per cent of slots behind Air France's 37 per cent.

BA yesterday announced pre-tax profits of £470 million for the six months to the end of September, up 9.3 per cent on the £430 million reported a year ago. But the results were clouded by a \$51 million rise in fuel costs, which led analysts to reduce their estimates on BA's final profits from £670 million to £540 million. — Keith Harper

Anglian to fight windfall tax

ANGLIAN Water warned Labour yesterday that it would challenge the party's tax on windfall profits "in the courts". Speaking as the company turned in half-year profits up 5.6 per cent to £132.7 million, on turnover of £413.8 million, group managing director Alan Smith said Anglian is taking legal advice to establish the constraints on legislation planned by Labour.

Dairy Crest laps up £16.5m

THE Dairy Crest milk and cheese group, part of the old Milk Marketing Board until floated in August, pushed its profits up 7 per cent to £18.5 million in the six months to September 30. This lifted profits 42 per cent to £12.9 million.

HK Telecom results jump

HONGKONG Telecom, 58 per cent owned by Cable & Wireless, yesterday reported a 12.7 per cent jump in first half pre-tax profits but admitted that operators of call-back services were eating into its business. Call-back services enable customers to take advantage of cheaper international phone charges in other countries. A short outgoing call triggers a return call from the cheaper country, with the bill going to the original caller.

BP 'easy money' warning

BRITISH Petroleum warned the Chancellor and the Opposition yesterday not to regard levying additional taxes on the oil and gas industry as an easy way to raise money. David Simon, chairman, said that government should instead see the long-run benefits of a tax regime that will produce an additional 1 million barrels of oil a year. Mr Simon was commenting on BP's third-quarter profits of \$550 million. Profits for the first nine months of the year before exceptional losses reached a record £1,561 million. — Celia Weston

Racing

Grey Shot a brave seventh as European runners are eclipsed in Australia. Ken Oliver reports

Saintly gives Cummings tenth Cup win

GREY SHOT, one of Britain's bravest horses, ran the race of his life to finish seventh in the Melbourne Cup at Flemington yesterday.

Oscar Schindler, "the good thing" according to the punters and the whinging Australian trainers, started 4-1 favourite but could finish only 15th, while Peter Chapman, trainer of Of Honour, trailed in 20th of the 22 runners.

The 2684,211 two-mile handicap was won by Saintly, an 8-1 shot, who gave the legendary Australian trainer Bart Cummings his tenth win in the race.

Grey Shot, with Pat Eddery in the saddle, set out to make all the running but was swallowed up in the home straight, with Saintly forging clear in the final furlong to score by two and a quarter lengths.

Eddery was well pleased with his mount's performance, explaining: "It was really good, I really enjoyed it. He gave me a wonderful ride. It's just a shame he doesn't like flat ground. The speed horses just came and got him for a turn of foot."

England's champion-elect jockey paid tribute to the winner, saying: "I was very impressed with the way he quickened up. He came there cruising. He's obviously a high class horse."

Oscar Schindler was the big disappointment. Mick Kinane, who persuaded owner Oliver Lehan to bring the colt to Melbourne instead of going for the more lucrative Breeders' Cup Turf in Toronto, said the horse had appeared perfectly well settled before the race.

"You have to take a stand and take a decision. We felt not just me but Kevin Freehergast (the trainer), that he was the right horse. At his very best you would have expected him to beat them."

"I asked him for an effort coming out of the home turn, but it was short-lived. This was a disappointment and I

have no excuses. Maybe the long year has taken its toll on him as he has been running since April."

Cummings, who will be honoured with the presentation of a special commemorative Cup to mark his 10th success in the race, plans to send Saintly to contest the Japan Cup on November 24. The 68-year-old trainer, who scored the first of his 10 Melbourne Cup wins in 1965 with Light Fingers and his previous with Let's Elope five years ago, had faced questions before the race over Saintly's ability to stay the course.

"This horse stays well, so let's have a go for the Japan Cup with him," he said. "It is very special and I savour it very much. He is a very relaxed horse and it is a great thrill for me to be here on this 10th occasion of winning the Cup."

Back home, yesterday's main attraction was the William Hill Haldon Gold Challenge Cup Chase at Exeter where Travoado was attempting to win the valuable race for the fourth year running. However, Absalom's Lady, who was beaten three lengths by Travoado in the race two years ago, put herself in line for a tilt at the season's top hunting prizes with a brilliant victory.

The grey, who used to be trained by David Elsworth, was making her debut for Gay Kelleway and, backed from 16-1 to 8-1, proved too strong for Coulton under a fine ride from David Brigwater.

Held up in the early stages, Absalom's Lady made steady headway at halfway before nipping past Coulton after the fifth last and staying on strongly, despite an error two out, to score by two and a half lengths.

There was a further length and a quarter back to Plimberley Place, the 66-1 outsider, who short-headed Travoado for third place.

The winner was competing from 17th out of the handicap, but her trainer said: "I wasn't



Jump for joy... Darren Beadman leaps off Saintly after their Melbourne Cup triumph

worried about her being out of the handicap as she's class. She's in the Murphy's Gold Cup at Cheltenham on Saturday week, but that might come a bit quick for her and we'll have to see how she comes out of this race."

Kelleway reckoned the King George VI Chase may prove a better race. "I'd consider that race as a target as she likes that type of sharp right-handed track and I don't think three miles would be against her," she said.

Fool's Errand and Tony McCoy took the William Hill Devon & Exeter Handicap Chase, run over an extended two and three-quarter miles, in clear-cut style by seven lengths from Class of Ninetytwo.

Tony Balding, who trains the winner, said: "He's made the transition from novice company to handicap well. I thought he was fairly handicapped and another plus is that he was in with a lot of horses who need three miles."

Haydock National Hunt card with form guide

Table listing race details for Haydock National Hunt card, including race numbers, names, and form guides.

Results

Table listing race results for Haydock National Hunt card, including race numbers, winners, and odds.

RACELINE advertisement with contact information for Kempton and Newmarket.

2.15 RACING NATIONAL HUNT CARD WITH FORM GUIDE

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SPORTS NEWS 13

Sport in brief

Wigan Athletic aim for Central stage

WIGAN may remain at Central Park, with their soccer neighbours Wigan Athletic moving in with them, writes Paul Fitzpatrick. Although the rugby league club's directors had been expected, at their annual meeting tonight, to try to persuade shareholders to support a move to a new stadium in the town's Robin Park complex, where the two teams would share the facilities, the soccer club's owner Dave Whelan does not now consider this a good business proposition.

Woonsnam back to basics

COLIN MONTGOMERIE and Ian Woosnam were one stroke off the lead after the first round of the Johnnie Walker Super Tour in Taipei yesterday. The top two Europeans both had four-under-par rounds of 68, but three players — Ernie Els of South Africa, Lin Keng-chi of Taiwan and Park Nam-sin of Korea — went one better. Woosnam, meanwhile, is to put off surgery on his bad back after a specialist told him he could keep on playing. "I have a vertebra that wants coming out, but it can wait for two or three years. I am going to keep on playing and put up with the spasms and back pain," the 38-year-old Welshman said.

Lai Shan Lee rules the waves

THE Women's World Sailor of the Year award went last night to Lai Shan Lee, who won the gold medal in the boardsailing at the Olympics, writes Bob Fisher. She took home the first gold medal to be won by Hong Kong in any Olympic sport, but she could not attend to collect her award because she is racing this week. Jochen Schumann of Germany, who won his third Olympic gold in the Soling, was voted World Sailor of the Year; he won his first gold in 1976 in the Finn class and his second in the Soling in 1988.

Sad journey for Morgan

DARREN MORGAN arrived back in Britain yesterday to discover that his mother Cynthia had died. The stockbroker international had delayed his return from Bangkok to help Wales qualify for the World Cup quarter-finals, but less than 90 minutes into his flight to Heathrow there was news that she had died of cancer in a Newport hospice.

Gravity test for cider county

DERMOT REEVE plans to adopt the scientific approach in his attempt to launch a successful coaching career with Somerset. The man who made trophy-winning a habit as captain of Warwickshire has signed a three-year contract with the cider county and is determined to whip them into an equally formidable force, writes David Foot.

Reeve, 33, met the players last night armed with diet sheets and training programmes for the winter to ensure that they report back fitter than ever. To that end he has persuaded a club whose past games have tended to be more at home in the beer tent than the gymnasium to introduce a financial incentive scheme for players to achieve peak condition.

Ed Giddens will have his appeal against a 20-month ban heard at Lord's on Friday. The 35-year-old England A fast bowler was dismissed by Sussex after testing positive for cocaine. Brian Lara will captain West Indies for the first time in a limited-over match against Western Australia today, taking over from Courtney Walsh, who is rested for the second match of the tour.

Newton Abbot (N.H.)

Table listing race details for Newton Abbot National Hunt card, including race numbers, names, and form guides.

Results

Table listing race results for Newton Abbot National Hunt card, including race numbers, winners, and odds.

RACELINE advertisement with contact information for Kempton and Newmarket.

Fallon at the Jockey Club

KERRIN FALLON appears before the Disciplinary Committee of the Jockey Club today to answer a charge of misleading the committee at an earlier hearing. The jockey, who will be number one to Henry Cecil, the Newmarket trainer, next season, made an appearance before the committee on July 18 at which he was fined £500 for riding whilst having a red entry in his medical book, requiring him to pass the

Fallon at the Jockey Club

racecourse doctor before riding again. He was also banned for five days for making insufficient effort to attend the hearing, initially scheduled for July 10, at which the original offence was set to be considered. The Disciplinary Committee will make a decision as to whether, at the hearing of July 18, Fallon deliberately misled the committee with his evidence, contrary to Jockey Club Rule 220 (viii).

Soccer

Ferguson still king of the castle despite the news at ten

Richard Williams discovers that after a decade at the top the Manchester United manager is continuing to fight fire with fire

ALEX FERGUSON celebrates the 10th anniversary of his arrival at Manchester United today, secure in the knowledge that his achievements already place him alongside the greatest post-war managerial figures of English football: Nicholson, Shankly, Revie, Clough, Paisley and his own immortal predecessor, Matt Busby. So posterity has been taken care of. Next week is another matter.

Ferguson is United's seventh post-war manager. His team are the Premiership champions and holders of the FA Cup, representing a unique second Double to follow that of 1969-71, and the championship of the preceding season which broke the 26-year spell hanging over all Busby's successors.

United lie sixth in the table, which is not such a bad place to be in November, and are likely to qualify for the lucrative knock-out phases of the European Cup. In terms of commercial prosperity they stand among the half-dozen greatest clubs in world football.

Yet uneasy lies the head that wears this particular crown, and aside from his immediate difficulties, caused by a run of spectacularly poor results, Ferguson remains sensitive to the jealous hostility of his club's success. Last week he spoke of listening to the radio while driving to United's training ground on the morning after the recent 6-3 defeat at Southampton, and of hearing a pair of announcers talking a noisy delight in the club's latest humiliation.

He remembered the exact time: 7.17am. "Is this the message the BBC is sending out," he mused, "that it's all right to hate Manchester United? Maybe it's a social thing. There's more hatred in people than in previous generations. We must be a threat to the nation, with me as Public Enemy No. 1."

He is in no doubt, however, about the need to fight fire with fire. One of his clearest memories as United's manager involves watching a group of Liverpool fans asking two of his young players, Lee Sharpe and Ryan Giggs, for their autographs outside the entrance at Anfield, and then contemptuously tearing the paper into shreds in front of the players' eyes. "I told them never to forget that incident," he said.

Until two and a half weeks ago his historic feats would have made this a day of un-

sullied rejoicing among United's huge following, which stretches from Salford to Shanghai and which he had done much to consolidate. Yet Ferguson's deserved celebrations will take place in the shadow of a sequence of defeats casting a greater gloom on his tenure than at any time since the winter of 1992-93, when chants of "Ferguson out!" were briefly heard at Old Trafford.

In the past 18 days his players have lost 5-0 to Newcastle United and 5-3 to Southampton, surrendered a proud record of European invincibility at Old Trafford to Fenerbahce, and seen the end of a 35-match unbeaten Premiership home run to Chelsea. A League Cup win over Swindon Town, with a team including several reserves, brought no meaningful relief.

Self-evidently, such results mean that the team have been playing badly. But the manner of their poor performances - a fall in defence, disjointed in midfield, lacklustre in attack - is clearly posing Ferguson a set of questions that go far beyond the simple need for a win to put an end to the sequence.

Such a string of defeats inevitably invites a muted chorus of resentment at the team's failure to reproduce the fast, vivid football with which they had become

Fergie's decade

Table showing League position from 1986-87 to 1996-97. Columns include Year, Position, and Cup wins (FA Cup, Charity Shield, etc.).



Just as significantly, he revived a Busby tradition by overhauling the trophy cabinet with the snatch of the boy Giggs from under Manchester City's noses and going on to nurture the Neville brothers, David Beckham and others. "There's a lot of talk about the last 10 years," he said last week. "But the work that has been done has prepared the club for the next 10 years."

At 54, and a few months into a four-year extension of a contract which is believed to



Top man... Alex Ferguson with last season's title trophy, half of a unique double Double

be worth a basic £250,000 a year, he is not interested in discussing retirement. "Retirement at 65 should be against the law," he said. His father, a Govan shipyard worker, died at 66, after retiring the year before. "That's one of the reasons why you shouldn't retire. The mechanism stops. So I don't think about retirement."

Even in the dark days of 1990, when some thought that

only a 1-0 away win over Nottingham Forest in the third round of the FA Cup averted his dismissal, the one-time shipyard shop steward never felt in jeopardy. "I didn't think there was anyone daft enough to sack me," he said. Famous for his dressing-room rages, yet unbending in his refusal to criticise his players in public, he is nevertheless aware of the importance of maintaining a pater-

Five in the running for England's one-off armband

David Lacey joins another game of 'guess the national captain' in Shearer's absence

GLENN HODDLE will have to choose a new captain when England meet Georgia in Tbilisi on Saturday in their third World Cup qualifier. Alan Shearer, his original choice, is recovering from a groin operation. The usual suspects have been rounded up. Paul Ince is favoured by some, David Platt by others. The Gareth Southgate lobby is active and there are those who continue to swear by, rather than at, Stuart Pearce.

recalled by Hoddle to supply the defensive stability badly lacking during the opening 30 minutes against the Poles.

However, two factors may deny Adams the captain's armband: Hoddle's preference, embodied in his choice of Shearer, for a less demonstrative style of leadership, and Adams's confession to an addiction to alcohol. The England coach has gone out on a limb by keeping Paul Gascoigne, who has admitted beating his wife, in the squad. He may feel that returning the armband to a member of Alcoholics Anonymous would be trying the public's patience too far.

defender against Poland but, even more, that Adams is apt to lead with his right rather than his head. Platt would be a serious candidate only if he were more sure of a place in Saturday's team; and that would mean leaving out Gascoigne or David Beckham.

Southgate, on his own admission, is still learning how to defend for Aston Villa, never mind England. Temperamentally he looks even better suited than Shearer to the captaincy but he needs more matches at this level. That leaves Ince in the frame. Despite being sent off twice in less than a fortnight recently while playing for Internazionale, he has also

Results

Table with 2 columns: Match details (e.g., Cardiff 1-1 Whitehill 2, Echarat 0-7) and Score.

Table with 2 columns: Match details (e.g., Aston Villa 1-0 Liverpool, Arsenal 1-0 Tottenham) and Score.

Table with 2 columns: Match details (e.g., Newcastle 1-0 Tottenham, Arsenal 1-0 Tottenham) and Score.

Team talk

Table with 3 columns: Team, Goals scored, Goals conceded. Lists teams like Arsenal, Aston Villa, Barns, etc.

Fixtures

Table with 2 columns: Match details (e.g., Arsenal vs Tottenham, Liverpool vs Manchester City) and Date/Time.

Fixtures

Table with 2 columns: Match details (e.g., Arsenal vs Tottenham, Liverpool vs Manchester City) and Date/Time.

Atkinson kicked upstairs

RON ATKINSON ended 25 years in management yesterday in a typical fashion: there was a flash of anger, a joke, then a champagne party with Coventry players at a secret destination.

Atkinson has been moved upstairs at Highfield Road to become director of football, leaving his No. 2 Gordon Strachan to take over as manager. The move had been planned for the end of the season but was brought forward because of the team's third-bottom of the Premiership despite Atkinson's £18 million outlay on players during his 19-month reign.

The question is whether he jumped or was pushed at last Friday's board meeting. The chairman Bryan Richardson said: "He was not sacked. He approached me at the end of last week to discuss the idea of Gordon taking over. All we've done is bring forward exactly what we said before."

But it is understood that others on the board forced the change, fearing Coventry might be relegated. Either way, Atkinson had planned to make a public announcement yesterday, envisaging a smooth transition. But a story in the Daily Mirror saying he had been sacked pre-empted that and angered him. "It was leaked by a member of the board," he said. "I shall not name the person, but it is my way. I shall be wearing Tory at the next election. He has let down the club and the chairman."

This is understood to refer to the millionaire Geoffrey Robinson, a Labour MP and board member whose financial input enabled Coventry to buy Gary McAllister for a club-record £3 million. One theory voiced yesterday was that Robinson, worried at the cost of Coventry losing their Premiership status, demanded the change. Atkinson's supporters on the board then had to weigh their

Coca-Cola Cup, third round replay

Oxford United 2, Port Vale 0

Jemson's joy

OXFORD UNITED lined up the possibility of a lucrative tie at home to Southampton who play at Lincoln City in a replay next week - when they beat Port Vale 3-0 last night at the Manor Ground. Two first-half goals by Nigel Jemson proved too much for the makeshift visiting side.

Port Vale, attempting to reach the fourth round for the first time, suffered a setback 15 minutes before the kick-off when their former Newcastle United winger Steve Guppy injured his back in the warm-up. His place was taken by Wayne Gordon, his first start of the season.

They suffered a further blow in the 12th minute when Oxford took the lead with Jemson's 10th goal of the season. Griffiths tripped Ford and Jemson's freekick deflected past the wrong-footed Musselwhite off the defensive wall.

It was Oxford's first goal in their third meeting with Port Vale this season, having lost 2-0 at Vale Park in the league in August and drawn 0-0 there two weeks ago. Port Vale had lost only twice away from home this season but in the first half they must have suspected

Fifa may ban back-headers

FIFA, soccer's governing body, is considering changing the rule on back-passes to goalkeepers. Its referees committee wants the rule preventing back-passes to be extended to every part of the body, thus penalising players who head the ball back to goalkeepers.

Sinclair surprises Rangers by deciding to stay at Loftus Road

TREVOR SINCLAIR has surprised Queens Park Rangers by asking to come off the transfer list, writes Martin Thorpe. A combination of money and promises has persuaded the £5 million-rated winger to stay at the First Division club despite his desire to play Premiership football.

Sinclair said: "After long, frank and honest discussions with the chief executive Clive Berlin over the weekend, where a number of points were raised by each of us, the details of our discussions were debated at the board meeting on Monday night. I am now delighted to say that I have withdrawn my transfer request and am in negotiation with regard to signing a new contract."

opposition to the idea against the possibility of losing Robinson's patronage. And to make sure that a Coventry win at Everton on Monday night did not provide fresh ammunition for those who wanted Atkinson to stay, the story was leaked.

Whatever the truth, this appears to be a career end for one of the most flamboyant managers of his generation. The 57-year-old was known for his permanent tan, gold bracelets, dark glasses and trenchcoat, and at the beginning for his managerial success.

He won successive promotions at Cambridge, impressed at West Bromwich, and won the FA Cup, though never the league, with Manchester United. He then managed Coventry with Sheffield Wednesday.

But his touch recently deserted him. Despite winning the League Cup with Aston Villa in 1984 he was sacked because of the team's poor league form and at Coventry he has presided over only 14 wins in 68 league games.

Yesterday his successor Strachan paid fulsome tribute. "Ron has been a one-off," he said. "The best of the great character managers who can run a club on their personality and knowledge. His like will not be seen again."

"His teams have always been entertaining and attractive and you can't argue against his philosophy being down the years he's had a lot of success. He is the most misanderstood man in football. The 'Flash Harry' tag is given him by people who simply don't know him. Away from the public gaze, all he wants to do is talk about football. That is what makes him happy and then he is at his most relaxed and entertaining."

Atkinson insists he will stay at Coventry. "After it was leaked, I thought about quitting but I've spoken to the chairman and Gordon and decided to stay."

Oxford United Whites: Robinson, Gordon, Ford, Beauchamp (Injury), Smith, Adams, Aldridge (Pen), Jemson, Pearce, Wade, McAllister, Hill, Griffiths, Glover, Tankard, McCarthy, Walker, Shearer, Gordon (Yellow), Mills, Payne, 60, Nayler.

Port Vale Whites: Robinson, Gordon, Ford, Beauchamp (Injury), Smith, Adams, Aldridge (Pen), Jemson, Pearce, Wade, McAllister, Hill, Griffiths, Glover, Tankard, McCarthy, Walker, Shearer, Gordon (Yellow), Mills, Payne, 60, Nayler.

Manchester City have offered Dinamo Dresden £250,000 for the Australian international goalkeeper Mark Schwarzer.

Manchester United's midfielder Nicky Butt has been named as England Under 21 captain for the European Championship qualifier in Georgia on Friday.

Duncan Ferguson's chequered career took another downward turn yesterday when he was forced to withdraw from Scotland's squad for the World Cup qualifier against Sweden in Glasgow on Sunday, Ian Ross adds.

The striker suffered a calf injury in training last week.

Rugby Union

The England coach surprised everyone with his choice of captain. Frank Keating found it a super shock

Very contrary, very Rowell

WHAT a turn-up. Very cunning, very contrary, very Rowell. And, the more you think about it, a very good choice too. Certainly it could not have happened to a more honest and decent bloke. Phil de Glanville will do a grand job and, more than likely, much more than that.

never more than yesterday. On the face of it he has had a long slog with his carpet-bag, working his way up the ranks. Twenty-three times an England replacement, seemingly a Joe Soap sub warming his bun on the bench — in the splinter group, if you like, on the outside looking in — but in reality not so. There has always been more than a gleam of certitude of being apparent about his demeanour on the bench.

The corny symbols of chivalrous knights sit well on the Wilt-replacing Philip Ranulph de Glanville. England's very first de Glanville fought with the Norman William when he did for Harold. This scion tottered out of the heart of England, at Loughborough where he was born.

For de Glanville, glory be, reveals in counter-attack and the two go gloriously together — he is a creative, imaginative and totally unselfish presenter of the

dagger-sharp killing pass. Now, with knobs on, he can make the play. Help script it and then direct it. In rehearsals and on the hoof I fancy he will be less visceral and more cerebral as a leader than as a player. He will be less inscrutable, brown-studied and furrow-browed than Will but he will get under his players' skins and make them play-up for him.



De Glanville... sparkle

De Glanville... sparkle. He-relations coronation ceremony at Twickenham surely signalled The End for Will. As an inside centre, Carling plays the same part as the new captain: organising, feeding, setting up plays. No place there now. He has tried fly-half. Know-alls say he could come back as a wing like the Wallaby Horan, but it will not happen; Carling has gone for good and nothing so became him as the leaving of it last March after a triumphant final year with a raw team.

Tour match

Scottish Districts 9, Australians 25

Scots find Dirk sharp with the ball as well

Gordon Lyle in Perth

A BRAVE Scottish Districts XV managed to contain the much vaunted Australian driving maul at McDermid Park last night but still came off second best, going down 25-9 in monsoon conditions.

the Australian posts. Parker added another and Steele was just wide with a drop-goal attempt as the home side grew more confident and thrived on opposition mistakes in the heavy downpour. Williams's try came at a vital time to revive the Wallabies, who turned round 8-6 in front when Tim Wallace scored for an earlier penalty miss.

Boxing

Hide seeks dollars and sense

Kevin Mitchell on a former champion's house of dreams



Back on the box... Hide fights the American Frankie Swindell on the Naseem Hamed card in Manchester on Saturday

A FEW fighters are as smart outside the ring as in it. Brian London, for instance. The first thing Britain's luckiest heavy-weight did after he got his hands on some serious money early in his career was buy a big house in Blackpool. He had big pay-days, too, to fill it with treasure. And 30 years after standing bewildered and bruised in front of Muhammad Ali for three rounds one forgettable August night in 1966, London (rarely parted from a quid without an argument) still has the house, his marbles and no regrets.

Hide, like London, needed the comfort of bricks and mortar to survive in not only a notoriously unstable trade but a world of doubts and personal troubles. Hide earned \$3 million for being mugged by Bowe as he surrendered his World Boxing Organisation title, a brave performance which was only weakly applauded, even back in Norwich.

In a row. He went to the Far East for an extended holiday, occasionally telephoning the builders back in Norwich for a progress report on his lordly pile.

January 1996 passed, fightless. Later he was to be fought for Hearn against the Croatian Zeljko Mavrovic for the European title in Norwich but pulled out when he had to have an operation on his wisdom teeth. A possible match against Alexander Zolkin for the vacant WBO title was announced. Another postponement followed. There was also a court case for a misdemeanor but Hide could not appear because he had malaria.

with the connections now, the promoter who could get him back to Vegas, possibly. Hide was to fight the French champion Joel Heinrich in June. The bout was postponed until July, then cancelled. There was talk of challenging Scott Welch for the British title. That has not materialised. But he finally climbed through the ropes, heavy of limb — and spirit, perhaps — on July 6 to stop Michael Murray in six laboured rounds. The roller-coaster was moving again.

his liking probably, Hide continues his comeback. This time it is against the American Frankie Swindell, not a life-threatening assignment. Swindell did not fight at all last year, having earlier lost in challenges for the International Boxing Federation light-heavyweight title of Prince Charles Williams and the WBO belt then owned by Michael Moorer.

WRU locked in pay disputes with Quinnell and referees

David Plumner

THE Welsh Rugby Union, having resolved its differences with Wales's First Division clubs, yesterday found itself under attack on two more fronts.

with England, where referees receive £200 for controlling a League One match, touch-judges pocketing £100 each. Payments continue on a sliding scale down to League Five.

Tennis

Henman ends on cavalier note

Richard Jago in Moscow

HARD as Tim Henman strove to finish his wonderful year on the ATP tour on a high note, it ended with a double fault and defeat. The British champion played better than in Stuttgart and Paris, but his 6-3, 3-4, 6-4 defeat by Zimbabwe's Byron Black in the first round of the Kremlin Cup conveyed a message similar to that of the past fortnight. A total of 27 tournaments, along with the Davis Cup and the Olympics, had been a bit too much for him.

Incorrectly calling Black's drive out and hitting a rully in which Henman was hitting fruitfully to earn his first break point. Instead that did not come until four games later, at 4-2, by which time he had started to slice more backhands to break up Black's dangerous double-handed groundstrokes. And the power of the Zimbabwean's service returns prompted Henman to strive for extra pace on his delivery, bringing back only the double faults (nine) but 21

Motor Racing

Ferrari to make Schumacher the £80m man

Alan Henry

MICHAEL Schumacher has signed an estimated £50 million extension to his contract with Ferrari for a further three years. The world Formula One champion will turn 30 in 1998, the year his total earnings at the famous but underachieving Italian team look set to pass £80 million.

former Benetton designer John Barnard. This year Schumacher won three races in the Barnard-designed F310 and finished third in the championship behind Williams's Damon Hill and Jacques Villeneuve.

think I can foresee what we might be able to achieve in 1997. But the real potential, I think, will come in 1998, maybe even later.

Yamaha team, among others, will run on the Japanese tyres and initial testing has shown them to be competitive.

vine has a contract for 1997 which includes an option for 1998. It is also expected that Ross Brown, the Benetton technical director with whom Schumacher forged a close working relationship in 1992-95, is about to join the Ferrari design staff.

Who will use Cosworth Ford V8 engines and have MasterCard International as major sponsor when returning to F1 next year after a three-season absence.

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